



## Pilgrim's Pride — Managing high-volume vendor invoices

### Overview

If business success in the food industry was simply a matter of production, Pilgrim's Pride would have few equals. Pilgrim's is the second largest poultry producer in the United States. They process approximately 55 million pounds of chicken and 8 million pounds of turkey per week. Pilgrim's Pride is also a vertically integrated company that operates feed mills, hatcheries, grow-out facilities, processing plants, and distribution centers. This allows Pilgrim's to have control over every phase and aspect of its highly successful business.

### Challenge

Experiencing continual growth, Pilgrim's Pride found itself with a considerable challenge regarding accounts payable processes, especially the turnaround time for problem vendor invoices. With annual purchasing volume at around \$1 billion per year and more than 220,000 purchase order (PO) and non-PO invoices being processed each year, Pilgrim's needed a better way to handle problem invoices that could not be processed for payment on the first attempt. Like most large companies using established enterprise application software solutions, Pilgrim's needed a solution that would enable them coordinate efforts to resolve invoice discrepancies quickly. The challenges existed because of the manual processes used for resolving problem invoices, and resulted in the following inefficiencies:

- Problem invoice resolution was a very time consuming endeavor for many groups, resulting in low productivity and time wasted on mundane tasks;
- Lost and/or duplicate invoices became excessive, resulting in duplicate payments to vendors;
- From start to finish of the payment cycle, invoices were nearly impossible to track and there was no visibility on status or history of payment information;
- Relationships with vendors were strained due to lost documents and late payments.

### Solution

Pilgrim's Pride selected a Vendor Invoice Management solution from Open Text to streamline problem processing and solve invoice handling problems. Livelink ECM – Vendor Invoice Management for SAP Solutions integrates workflow and Web services technologies with in-place ERP systems to create a composite application that optimizes and automates problem invoice management and resolution. Vendor Invoice Management ties seamlessly with ERP systems, such as Pilgrim's existing SAP implementation, using established invoice exception best-practices management. The prepackaged solutions from Open Text accommodate 28 of the most common invoice exception scenarios. In addition, custom solutions can easily be developed to automate resolution with business rules, workflow, approvals, and actions. Pilgrim's decided to buy this solution rather than build it internally, saving time and money and allowing them to take advantage of the pre-determined, best-practice policies and automated workflows built into the solution.

*“Cost savings included eliminating 10 positions between Accounts Payable and Purchasing. That’s a significant (50%) headcount reduction for us. In addition, we’re now able to obtain more vendor early-payment discounts and improve our problem invoice resolution turnaround from an average of 30 days down to 10 days.”*

*SVP Procurement  
Pilgrim's Pride*

#### Industry

Consumer Goods

#### Customer

Pilgrim's Pride

#### Business Needs

- Decrease problem invoice resolution time
- Ensure invoice tracking
- Improve relationships with vendors
- Eliminate duplicate vendor payments due to lost/duplicate invoices

#### Business Solution

Livelink ECM — Vendor Invoice Management for SAP Solutions

#### Business Benefits

- Headcount redeployment: 10 positions between AP and Purchasing
- Increased vendor discounts for early or on-time payments
- Problem invoice resolution turnaround dropped from an average of 30 days to 10 days
- Virtual elimination of duplicate invoices received
- Significant reduction in vendor hotline (payment status) calls

## Benefits

Pilgrim's Pride has easily realized its cost-saving objectives. Upon implementation of Vendor Invoice Management *for SAP Solutions*, they realized immediate improvement with measurable and quantifiable results. Payoffs included:

- Headcount redeployment: 10 positions between AP and Purchasing;
- Increased vendor discounts for early or on-time payments;
- Problem invoice resolution turnaround dropped from an average of 30 days to 10 days;
- Virtual elimination of duplicate invoices received;
- Significant reduction in vendor hotline (payment status) calls.



Sales	Americas	Europe	Asia/Pacific	
<p>www.opentext.com sales@opentext.com</p> <p>North America Sales 1-800-499-6544</p> <p>International Sales +800 4996 5440</p>	<p>United States 100 Tri-State Int'l Pkwy Lincolnshire IL 60069 Phone: 847-267-9330 Fax: 847-267-9332 Toll Free: 1-800-538-7723</p>	<p>Germany Technopark 2 Werner-von-Siemens-Ring 20 D-85630 Grasbrunn Phone: +49 89 4629 0 Fax: +49 89 4629 1199</p>	<p>United Kingdom Grosvenor House Horseshoe Crescent Beaconsfield Buckinghamshire HP9 1LJ Phone: +44 1494 679700 Fax: +44 1494 679707</p>	<p>Australia Level 12 65 Berry Street North Sydney, NSW 2060 Phone: +61 2 9026 3400 Fax: +61 2 9026 3455</p>