opentext™

Success story

Bumble Bee Foods

Industry
- Food

Solutions
- OpenText™ Vendor Invoice Management for SAP® Solutions
- OpenText™ Invoice Capture Center for SAP® Solutions
- OpenText™ Document Acces for SAP® Solutions

Partner support
- Optima Consulting

Results

📄 **Reduced invoice** processing costs by 50%

👥 **Reduced AP processing staff** from 13 to 5

💲 **Increased discount** capture rate by 80%

🌐 **Reduced** number of global processing plants from 6 to 2

End-to-end process automation with OpenText and SAP®

OpenText Solutions for SAP allows Bumble Bee Foods to transform accounting operations

"Our invoice processing operations went from 100% paper-based to 100% non-paper-based, and we were able to reduce our total staff from thirteen FTEs to only five."

Farrah Goldberg
General Accounting Manager
Bumble Bee Foods

Bumble Bee Foods was founded by a handful of dedicated fishermen in 1899. Today, privately held and headquarteredin the United States, Bumble Bee Foods, LLC is North America's largest branded shelf-stable seafood company, offering a full line of canned and pouched tuna, salmon, sardines and specialty seafood products marketed in the US under leading brands, including Bumble Bee®, Brunswick®, Snow's® and Beach Cliff®, and in Canada under the Clover Leaf® brand.

Driving internal efficiencies and cost savings

Today, the Bumble Bee brand stands for quality, nutritional value and affordability. With tuna costs rising to historic-level prices, a major industry trend and key challenge for Bumble Bee is to maintain a good price point for their customers without sacrificing quality. It is a goal that requires an ongoing commitment to internal efficiencies and business cost reduction.

One area where the organization was challenged was in their procure-to-pay process. By 2011, each invoice was taking approximately 20 days to process and had an average cost of $5.80, roughly 65 percent higher than the industry average. The AP department was decentralized and different plants in the United States, Canada and Puerto Rico all managed separate processes. Invoice processing was 100 percent paper-based, resulting in a lack of process visibility and inefficiencies. Invoices often went missing and AP clerks spent an estimated 80 percent of their time searching for invoices and responding to inquiries. Auditor requests took weeks to fulfill.

To address these challenges, Bumble Bee began the search for a solution that would allow them to eliminate manual processes and standardize on and consolidate operations. Heading up the search was Farrah Goldberg, general accounting manager at the San Diego head office. *"We were really lacking on the procure-to-pay side as far as technology. It was a very archaic process. We needed a third-party tool that would allow us to optimize processes and ultimately reduce costs per invoice,"* says Goldberg.

Integrated solutions key to turnaround

As an SAP® user, Bumble Bee wanted to leverage their existing investment and find a complementary set of solutions that integrated tightly with their SAP Enterprise Resource Planning (ERP) platform. After a lengthy review process, they selected OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions (also sold by SAP as SAP Invoice Management by OpenText). The VIM solution integrates seamlessly with SAP and offers workflow functionality that enables users to easily manage and route invoices for approval. *"We liked the fact that VIM synched so well with SAP. The screens looked very similar to what our AP group is used to seeing with SAP and so we knew it would be a smooth transition for the team,"* says Goldberg.

In addition to Vendor Invoice Management, Bumble Bee wanted to leverage optical character recognition (OCR) technology to increase invoice volume throughput. OpenText™ Invoice Capture Center (ICC) for SAP® Solutions allows the organization to further extend the capabilities of VIM and completely automate the capture of paper invoices. The Invoice Capture Center solution, also sold by SAP, extracts invoice data and virtually eliminates human intervention in the invoice capture stage of AP processing. *"The ICC product was a key factor in our decision to go with OpenText solutions. We really liked the OCR capabilities and the additional validation functionality that allows our users to easily capture and classify invoices. Some of the other software we*

"We've decreased invoice processing costs by over 50%, driven mainly by headcount reduction, but also due to instituting a more automated process that reduces errors."

Farrah Goldberg
General Accounting Manager
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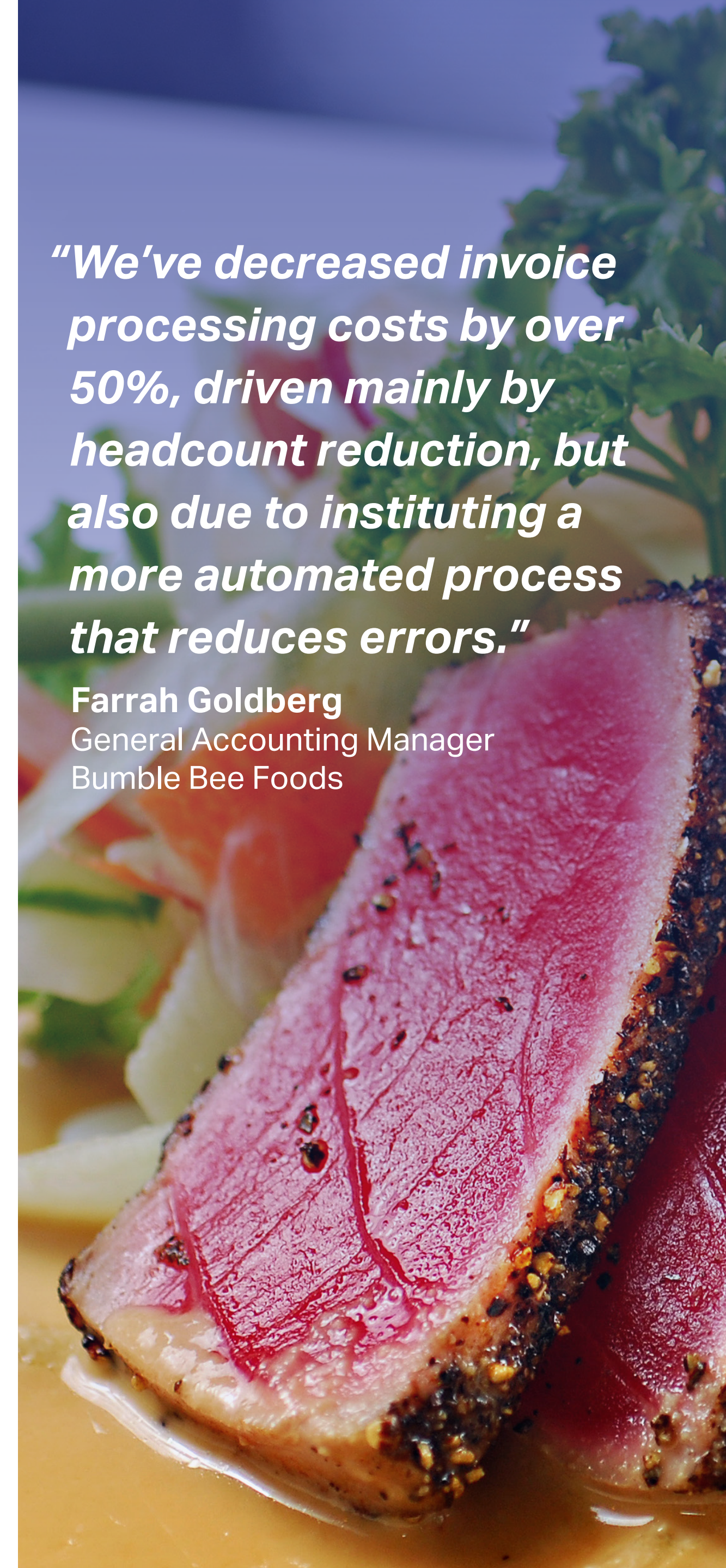
looked at required users to have to hand-key items that didn't get picked up by the OCR functionality. We wanted to eliminate human error and the ICC and VIM combination helps to automate almost every step of the process," says Goldberg.

To store invoices that have been scanned into the system, Bumble Bee uses OpenText™ Document Access for SAP® Solutions. The solution allows the company to eliminate their paper filing system and archive all invoices digitally going forward.

Implementing change

To implement their suite of OpenText products, Bumble Bee selected Optima Consulting, an OpenText implementation partner. Bumble Bee went through a long planning process up front before meeting with Optima in order to ensure they had an executive sponsor and full buy-in from each affected department. With their framework for change in place, their next step was to produce a case study to ensure they could customize the VIM solution to fit into their AP process. *"The onsite case study lasted about a week, and once we were confident in the design, the rest of the implementation went forward fairly quickly. The entire process from major design to actual go-live took around three months,"* says Goldberg.

Streamlined operations lead to time and cost savings

Within 16 months of their deployment of OpenText solutions, Bumble Bee achieved some remarkable results. *"We were able to consolidate our global AP processing centers from six to only two. Our invoice processing operations went from 100 percent paper-based to 100 percent non-paper-based and we were able to reduce our total staff*

from thirteen full-time equivalents (FTEs) to only five," says Goldberg. *"We decreased invoice processing costs by over 50 percent, driven mainly by headcount redeployment, but also due to instituting a more automated process that reduces errors."*

With VIM and ICC, invoices are quickly converted to electronic form in an end-to-end workflow automation process. *"We currently have a great hit rate on what is captured by OCR. This solution, in particular, was a big factor in our ability to streamline our workforce and go down to only five FTEs,"* says Goldberg.

Procurement and AP staff members now have full visibility into where invoices are at each stage of the process. They can more easily resolve issues on purchase orders and ensure that items no longer slip through the cracks. *"Before, there were a lot of surprises, but now we have the ability to easily go back and see all the history of a given invoice to get an understanding of where things changed and ensure that everything is paid according to the contract,"* says Goldberg. Having more transparency and visibility into the workflow payment process helps AP identify bottlenecks and retrain people where needed.

Built-in reporting functions in the VIM solution provide a smoother month-end close process. It used to take the team over a week to complete month-end close and the accruals for the AP liabilities. The VIM solution helps make the process much more seamless by providing a month-end accrual report. *"I'm now able to come in Monday morning after month end, hit a button to get our report to upload to SAP, and then immediately close the books,"* says Goldberg.

A smoother workflow payment process also improved supplier relations. *"When vendors used to call the San Diego office to inquire about a payment, a lot of times the best we could do was say 'we will call the plant and get back to you.' Now we're able to see exactly where the invoice is in the process and we can tell them approximately when it will get paid,"* says Goldberg.

The ability to process and pay invoices faster also allows Bumble Bee to take advantage of discount terms. The vendor discount capture rate improved by 80 percent since the install.

Business transformation and continual improvement

OpenText Solutions for SAP helped usher in a business transformation that saw Bumble Bee break down communication barriers between procurement and AP, move from paper-based to electronic invoice processing, consolidate operations and significantly reduce costs.

A fundamental shift has occurred where AP has moved away from a predominantly transactional role to a more value-based one. *"AP used to spend hours upon hours chasing down a single invoice and figuring out where it was in the process. Now, instead of doing the filing and a lot of the paper-based activities in a traditional AP department, staff members are actually resolving issues and looking for new ways to continually improve operations,"* concludes Goldberg.

About Optima Consulting

Optima ECM Consulting is a global company centered on Enterprise Content Management strategies and business solutions for compliance, optimization and collaboration. We ensure our clients increase productivity, improve customer service and reduce operational costs while increasing compliance levels by implementing superior solutions using the SAP Enterprise Content Management Solutions by OpenText.

www.optimaecm.com

About OpenText

OpenText, The Information Company, enables organizations to gain insight through market leading information management solutions, on-premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit opentext.com.

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