Mydin Mohamed Holdings Berhad (MYDIN) leverages OpenText for significant time savings and efficiencies by automating 95% of invoicing workflow. The number of staff required to manage invoice processing is 50 percent lower.

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Malik Murad Ali
IT Director
MYDIN
With 78 retail stores in Malaysia, including malls and hypermarkets, emporiums, convenience stores, franchised outlets, high-end groceries, a deli restaurant and a recent foray into online shopping, MYDIN is a household name.

In the face of an increasingly tough retail environment, including domestic retail spending conditions and international competition, the company looked at ways technology could help it drive efficiency and lower costs to achieve better margins.

When it turned to OpenText to address a specific requirement to digitize and reduce the cost of its existing manual vendor invoice management process, it gained more than originally anticipated.

MYDIN receives around 2,000 invoices per day and well over half a million per year. Previously, these invoices were received at the stores and then couriered to their headquarters in Subang Jaya for processing. These invoices were sorted manually by payment dates and terms, then processed before being filed and stored. When there were queries about certain invoices, employees had to refer to this manual filing system. All of this was completed by approximately 125 people processing invoices, entering data and managing the paperwork pertaining to Accounts Payable.

“With a reliance on human input and so many duplicate touchpoints, we understandably experienced a lot of errors despite the skilled and attentive nature of our finance professionals. Not to mention how mundane this work was for our skilled professionals and costly for our business,” explained Malik Murad Ali, IT director at MYDIN.

With MYDIN’s plans to keep growing, this problem was only going to increase. They would already soon run out of office space with paper everywhere, especially when its head of finance estimated they would need seven new people to manage the invoices for each new hypermarket opened.

Malik was tasked with finding a solution that would support the business to grow at scale. He reviewed Accounts Payable automation solutions available in the market and as an SAP® customer, sought to find a truly integrated solution that would transform the process from end-to-end. He identified OpenText, a long-standing SAP partner, which offered a combined and unique solution, OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions and OpenText™ Invoice Capture Center (ICC).

For the implementation of the OpenText solutions, MYDIN leveraged OpenText implementation partner, Delaware Consulting. The project was completed in eleven months and led to a complete end-to-end digital approach to invoice processing.

OpenText VIM enables MYDIN to process vendor invoices quickly, accurately and efficiently, and enhances worker productivity, cash flow and vendor relations. The solution optimizes and simplifies the process of receiving, managing, routing and monitoring invoices and related documentation.

Many of MYDIN’s suppliers do not transact electronically and it is this factor that drove the implementation of the ICC solution to automate manual invoice capture. Invoices received in paper form or as a PDF attached to an email, benefit from the ICC solution where the deep integration into SAP fully automates the data extraction and eliminates manual data entry.

“The time savings we’re giving back to our employees is invaluable for our business. Each of our store managers across our 78 stores used to spend about an hour a day acknowledging invoices. This equates to over 36,000 hours per year that is given back to our managers and it enables them to focus their time instead on the front-end customer experience, which in retail is really important.”

Malik Murad Ali
IT Director
MYDIN
Leading Malaysian retail chain digitally transforms accounts payable operations

Now, MYDIN has a process where most of its invoices that come in do not require any human intervention unless there is an issue. The OpenText solution auto-matches at least 95 percent of invoices received, which vastly reduces the chance for errors to occur in the process.

“The powerful combination of OpenText Vendor Invoice Management for SAP Solutions and OpenText Invoice Capture Center has effectively transformed MYDIN’s entire invoice process supply chain and our supplier relationship management. The number of staff required to manage invoice processing is 50 percent lower. It has even improved our staff retention unexpectedly. We now have trained accountants doing high value work instead of mundane administrative processing. It is a better use of their time, they are more engaged, staff churn is down while our productivity is going through the roof,” said Malik.

The company now has full visibility into the status of all invoices, so responding to queries has been vastly simplified—compared to the previous system of manually retrieving the paper invoice from physical storage files.

Approval on invoices is almost immediate, compared to previously being handled four times before being accepted for payment. This has led to an opportunity for MYDIN, which is looking to leverage discounts from its suppliers for the fast turnaround of invoice payments. By being among the first to go entirely digital, it is transforming its supplier relationship management chain and encouraging its ecosystem to adapt by offering favorable terms to those who transact with them digitally.

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“We are an established and mature brand but we still foster an innovative culture from the top down. It is this approach that keeps us competitive and growing, even in tough retail conditions,” said Malik. “Working with OpenText has delivered outcomes even more impactful than originally anticipated, enabling us to stay ahead and search for new ways to disrupt our own processes for continued success.”

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