

CEPSA

Challenge

In light of the current global economy and the company's expansion into emerging economies, Compañía Española de Petróleos, SA (CEPSA)'s challenge was to obtain significant cost savings for the entire organization and, in parallel, improve global communication services (fax, email) and automate invoice management.

Each month, CEPSA received and sent more than 30,000 faxes between its offices around the world. This entailed enormous spending, as the main communication channel for sending and receiving faxes was a system based on analog technology. Moreover, the manual handling of all invoices in the production centers led to a significant increase in the time and cost required for the process.

For these reasons, CEPSA intended to migrate its analog fax system to a digital system that would run over IP (FoIP). The objective was to have a centralized service for the entire organization that supported the internationalization of the business, avoiding the need to set up endless local provider contracts.

The system had to function seamlessly with the company's ERP solutions, be user friendly, integrate with its office automation productivity tools, drastically reduce costs and be implemented throughout the organization. A further aim was to have an SMS system that allowed real-time information distribution to the sales force, due to the large price variations of all petroleum derivative products.

Moreover, CEPSA established as a priority the automated entry of as much ERP data as possible, such as the data found in invoices. The new system had to eliminate the errors caused by the diversity of documents processed and their manual handling. This system had to be easily integrated with the company's office automation tools and easy to operate. After initial implementation, the system also had to be scalable for the entire company throughout the world.



Compañía Española de Petróleos, SA (CEPSA) is an industrial group comprising over 11,000 people whose main activities are the exploration, production and refinement of petroleum and the commercialization of its derivatives. CEPSA has been in business for more than 80 years and also does business in Algeria, Brazil, Canada, Colombia, Egypt, Panama, Peru and Portugal, selling its products throughout the world.

Products in Use:

- ◆ Kofax Transformation™
- ◆ Kofax Communication Server™

Andrés López de Córdoba, IT Manager at CEPSA, states that the main challenges they faced were “to offer the entire organization improvements that represented significant cost savings, to determine the type of information that had to be sent over each channel, and to internally sell the advantages of the new technology that was going to be installed.”

The Solution

After a comprehensive evaluation period, and having decided to start with the fax system, CEPSA implemented Kofax Communication Server™ to coordinate and automate the exchange of information and integrate their inbound and outbound communication channels. The first step was to remove all the analog lines in all offices around the world and replace them with a fax system that works with IP technology (FoIP). To do so, a solution was required that could combine these two sources of information: CEPSA ERPs and corresponding applications, and the productivity tools they were already working with.

Therefore, all communications – both fax and email – were received by Kofax Communication Server. Emails were transformed into outbound faxes and subsequently sent to the company’s Call Manager, which automatically identified the destination based on the prefix. Only then was the fax sent to CEPSA’s data network. Consequently, all faxes could be sent at a local call rate and everyone could use the central system anywhere in the world. Inbound faxes underwent the same process in reverse.

The entire implementation of the fax system took the IT department one week, even though migration to the FoIP technology entailed eliminating all the existing analog lines. This migration was immediate for all switchboards that were already registered in the Call Manager and a matter of days for those that were not.

To automate the supplier invoice management process, CEPSA decided to implement Kofax Transformation™. This solution automates the classification, sorting and separation of printed and electronic documents and forms in an intelligent manner to extract and validate the data they contain.

As a result, the documents generated by suppliers were scanned by the MFPs located at central offices, refineries and production centers. The images were transmitted to the headquarters, where Kofax Transformation automatically extracted all the critical data. The next step was to send the data to relevant sites for validation and, finally, loading into CEPSA’s ERP and document management system.

“With Kofax Communication Server we were able to benefit from a central system for fax management that considerably reduced costs, whereas with Kofax Transformation we eliminated all manual processes for handling invoices. It is mandatory that our next step goes towards bringing the two systems together, and this is indeed what we are working on now,” says Andrés López.

The Results

After the implementation of both systems, CEPSA greatly exceeded all expectations, improving productivity, efficiency, accuracy and cost savings. The fax system enormously reduced the number of national and international faxes (which are now processed as local calls), cut costs related to the physical fax machines (analog lines, procurement, maintenance and consumables) and reduced electricity and paper consumption.

At the same time, automating capture eliminated the time required for internally processing invoices, additionally eliminating errors and costs stemming from manual management. This was easily integrated with the ERP and document management system and is already functioning in all of CEPSA’s subsidiaries.

“Simply by eliminating fax machines in Madrid, the investment reached break-even in the first year alone. Results have been unbeatable since the second year, as we have reduced spending by 70% and, in parallel, maintenance costs have been drastically curtailed during the system’s lifecycle,” states Andrés López.

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