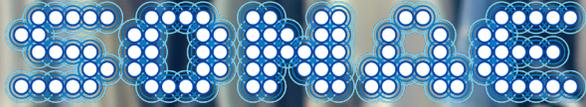


CASE STUDY



Sonae Transforms Accounts Payable Process with Automation from Kofax.

Multinational retail giant Sonae has enhanced the efficiency of its accounts payable function, harnessing automation to deliver 100% paperless and 75% touchless processes. Using Kofax Capture™ and Kofax Transformation™, the company can process approximately three million invoices from 23,000 suppliers quickly and accurately, while saving an estimated €13 million annually.

€13 million
SAVED ANNUALLY

Enables
FASTER SUPPLIER PAYMENTS

75%
OF ACCOUNTS PAYABLE
PROCESS NOW TOUCHLESS

Work Like Tomorrow.™

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CASE STUDY



ABOUT SONAE

WWW.SONAE.PT

As Portugal's largest retailer, Sonae operates a number of food retail, fashion, shopping center development, telecommunications, and technology businesses. Sonae employs approximately 40,000 people and has a presence in more than 60 countries.

PRODUCTS IN USE

Kofax Capture™

Kofax Transformation™

FOCUS

Accounts Payable Automation

CHALLENGE

In retail, effective invoice management is key to ensuring that suppliers are paid on time and that most of the payment discounts are captured. When working with tens of thousands of suppliers, and processing millions of invoices annually, bringing all the pieces together can be a tough challenge.

Nuno Guerreiro, Head of Accounts Payable at Sonae, explained, "We receive around three million invoices from external suppliers, and also process approximately 500,000 internal invoices per year. On average, we received and processed more than 10,000 invoices daily, most of which were paper-based. The challenge we faced was finding a way to process these important documents quickly, accurately, and cost-effectively."

To drive more efficient accounts payable processes, Sonae launched a three-pronged strategy. The first prong was to move to completely paperless operations. The second was to increase automation in the invoice recording and matching process. Finally, the company sought to introduce controlled, end-to-end processes and systems for managing all purchasing and closing activities.

"Manual activities have been reduced, improving accuracy and control, and we now require fewer resources to manage accounting processes."

Nuno Guerreiro, Head of Accounts Payable, Sonae

Nuno Guerreiro commented, "We wanted to move to a paperless and touchless process without compromising on control. We knew that implementing these three strategic actions would allow us to dramatically transform the accounts payable process in terms of efficiency, visibility, and accuracy."



SOLUTION

As a first step in its move to a paperless accounts payable process, Sonae introduced an all-new document management platform, built on Kofax Capture™ and Kofax Transformation™. Today, the company scans all inbound paper documents from suppliers and transforms them into rich electronic content.

Sonae also developed an electronic data interchange (EDI) project to manage both inbound documents received from suppliers and outbound documents sent to suppliers, such as purchase orders and invoices. This allows the company and its partners to exchange and record documents in a standard electronic format, with no paper or people involved. Sonae also implemented a multi-delivery system called DH-Document Handler, which allows it to automatically route and deliver digitized invoice data and EDI documents to enterprise resource planning (ERP) and accounting systems.

To improve invoicing accuracy, Sonae created an automated invoice-matching and approval process, helping to ensure that the amount on each purchase order is matched to the corresponding product receipt and vendor invoice. As a result, Sonae can identify and resolve invoicing discrepancies more easily, ensuring vendors are paid correctly and on time, capturing most of the payment discounts, and minimizing losses due to fraud or inaccuracy.

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CASE STUDY

RESULTS

Sonae has transformed its accounts payable function into an integrated, streamlined operation. Going paperless and introducing greater automation means that all activity is recorded and controlled from beginning to end, improving reliability and ensuring a full audit trail.

Nuno Guerreiro said, “We have achieved a 100% paperless process and a 75% touchless process in accounts payable, and Kofax solutions have been a key enabler of this transformation. As you can imagine, this has had a huge impact on our efficiency. Manual activities have been reduced, improving accuracy and control, and we now require fewer resources to manage accounting processes.

“All these improvements have added up to big cost savings; we estimate that we are saving more than €13 million annually with paperless, touchless processes.”

Improved efficiency is helping Sonae to process invoices faster than ever before, as Nuno Guerreiro explained: “A paperless, touchless approach means that there are fewer steps involved across the entire invoicing process, which has enabled us to speed up a number of tasks. For instance, invoice recording, matching and approval takes only 1.2 days on average. This allows us to pay suppliers faster and capture more financial discounts, which helps us to maintain positive relationships with our partners.”

With a highly efficient framework for managing accounts payable processes now in place for the retail business units, Sonae is working to extend the benefits across its business.

Nuno Guerreiro concluded, “We have made great strides in transforming accounts payable into a seamless function, and we are looking forward to reaching even higher levels of efficiency. Our short-term goal is to reach an 85% touchless process, and beyond that we want to find more ways to bring greater value to the business, its partners and customers—helping Sonae reach new heights of success.”

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