

SUCCESS STORY FOR RETAIL

Sonae

Multinational retail giant Sonae has transformed accounts payable into a unified, efficient function automated to provide 100% paperless and 75% touchless processes. The company can process approximately three million invoices from 23,000 suppliers quickly and accurately, and is saving an estimated 13 million Euros annually.

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, takes up the story: “We receive around three million invoices from external suppliers, and also process approximately 500,000 internal invoices per year. On average, we receive and process 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 record and matching process. And finally, the company sought to introduce a controlled, end-to-end process and systems for managing all purchasing and closing activities.

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



SONAE

As Portugal's largest retailer, Sonae operates more than 1,300 stores on food retail, electronics, fashion and sports. Sonae has also investments in other kind of businesses such as shopping center development and management, telecommunications and media. Sonae employs approximately 40,000 people, has a presence in more than 70 countries and reported an annual turnover of 5,014 million Euros in 2015.

Products in Use:

- ◆ Kofax Capture™

Focus: Accounts payable

“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.”

Nuno Guerreiro, Head of Accounts Payable, Sonae

Solution

As a first step in its move to a paperless accounts payable process, Sonae introduced a document management platform, built on Kofax® solutions. Today, the company scans all inbound paper documents from suppliers and transforms it into rich electronic content.

In addition, Sonae developed an electronic data interchange (EDI) project to manage both inbound documents 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 to automatically route and deliver the digitized invoice data and the EDI documents to enterprise resource planning (ERP) and accounting systems.

To drive greater accuracy around invoicing, 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 more easily identify and resolve invoicing discrepancies, ensuring vendors are paid correctly and on time, capturing most of the payment discounts and minimizing losses due to fraud or inaccuracy.

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 states: “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 Euros annually with paperless, touchless processes.”

Improved efficiency is helping Sonae to process invoices faster than ever before, as Nuno Guerreiro explains: “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 record, matching and approval takes only 1.2 days on average. This allows us to pay suppliers faster, capturing more financial discounts and helping 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 concludes: “We have made great strides in transforming accounts payable into a seamless function, and 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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