

Swiss Life Netherlands Accelerates Invoice Processing While Gaining Spend Visibility

PROACTIS Purchase-to-Pay helps leading pension provider reduce costs and improve control by automating paper-based processes

Profile

Swiss Life Netherlands (Zwitserleven) is a leading Dutch pensions company serving individual, SME, and large corporate clients. Zwitserleven is an operating unit of SNS REAAL acquired from Swiss Life Holdings in 2008. It is also a member of the Swiss Life network. Zwitserleven has over 700 employees, and had premium income of more than €1.2BN in 2008. SNS REAAL is one of the major bank-assurance companies in the Netherlands with total assets of over €124BN at the end of 2008.

Learn more about Zwitserleven and SNS REAAL at www.snsreaal.com

Challenge

When Zwitserleven Finance Managers first talked with Black Peacock Procurement Solutions, Proactis Group's partner in the Netherlands, they were primarily looking for a way to improve invoice processing. With over 10,000 invoices a year, they knew there had to be a better way than the manual process they had in place at the time. When invoices were received in Accounts Payable, they were physically sent to the purchase originator for review and approval, and the invoice was returned to AP to authorise payment.

At least that was the theory. In reality, invoices often sat on peoples' desks for weeks, and sometimes disappeared completely. Opportunities for payment discounts were routinely missed, increasing the cost of running the business. And the time required by Finance and Operating personnel to track down and process invoices was also adding unnecessary cost.

Another problem with the paper-based approach was that it provided very little in terms of purchase history, making it virtually impossible to effectively analyse spend.

In addition to streamlining the invoice handling process, Zwitserleven wanted to gain better control and visibility of purchase commitments in advance of invoice receipt – especially in the area of IT hardware and software purchases. Like most financial companies, IT represents a significant percentage of Zwitserleven's annual non-payroll expense.

Why PROACTIS Spend Control?

The Managing Director of Black Peacock had previously helped Zwitserleven implement their CODA-Financials system, so Zwitserleven already had confidence in his advice on how they could address their current needs. But when he showed them the PROACTIS Purchase-to-Pay (P2P) system, they could see right away that it would give them the tools they were looking for to automate invoice processing and later address the full IT purchasing cycle. When they also learned that PROACTIS P2P was integrated with CODA-Financials at a number of other companies, it made their decision to select PROACTIS an easy one.



Zwitserleven's Goals:

- Reduce invoice processing time while increasing visibility during the authorisation process
- Reduce Accounts Payable manpower requirements for invoice processing
- Improve spend analysis capabilities
- Gain better control and visibility of purchase commitments – especially for IT hardware and software

PROACTIS Solution Scope:

- PROACTIS P2P
- Document Scanning



PROACTIS

SPEND CONTROL & ePROCUREMENT

Results to Date:

- About 150 employees now using PROACTIS P2P
- Accounts Payable staff requirements reduced by one full person
- Company resource requirements reduced by at least one additional FTE
- Now have complete visibility of invoice and PO status at all times, as well as detail history for spend analysis
- Improved visibility of commitments for IT purchases (significant % of total spend)

Results

The PROACTIS P2P implementation was accomplished very quickly. Invoice processing was brought up in just two months. The full purchasing process was then deployed within the IT department just four months later. Today, about 150 people interact with the system.

"We were very pleased with how smoothly the PROACTIS implementation went," says Ronald de Kort, Zwitserleven Finance Manager. "Black Peacock helped us configure the system to fit our organisation and desired work flow, and guided the integration with our CODA chart of accounts. They have provided very good support since going live as well."

Zwiterleven has achieved the results they were after with PROACTIS P2P. Now, when invoices are received, they are scanned to capture an electronic image and immediately registered into the system. Using workflow and authorisation rules established within PROACTIS P2P, invoices requiring approval are routed electronically to the proper person for review. Authorised invoices are sent electronically to CODA for cheque writing. The process typically takes a day or two instead of the weeks it often took before. Invoices are no longer lost and opportunities for payment discounts are rarely missed.

"As a manager, PROACTIS P2P has made my life much easier," says de Kort. "I've set up my profile so that I receive an email from PROACTIS once a day with links to all of the invoices I need to review. I can approve payment with a single click or send it to someone else with questions. I spend much less time on invoices than I did before PROACTIS."

PROACTIS P2P has provided measurable human resource savings across the company. It has enabled re-allocation of one full-time position from the AP department and has saved at least one FTE from other areas because of the dramatic reduction in the time and effort spent on invoices.

In the IT department, PROACTIS P2P is now being used to manage the full Purchase-to-Pay process. Purchase requests are entered directly by employees who need to buy any type of hardware or software. Using rules established in PROACTIS P2P, they are either immediately approved and turned into POs, or are routed to the appropriate manager for authorisation. Like invoices, the entire process is electronic, so employees and managers have full visibility of request status at all times. The same email based approach is used for purchase authorisations as for invoices.

Most importantly, PROACTIS P2P is making budget management much easier for the IT Director by providing greater control of purchases and increased visibility of commitments.

Another key benefit Zwiterleven has realised with PROACTIS P2P is an improved spend analysis capability. De Kort illustrates the issue with a story: *"In early 2009, our CEO asked our new Purchasing Director to produce an analysis of our spend for 2008. The Director had just started a month earlier and was not yet familiar with PROACTIS. Based on his experience at other companies, he thought that would take days or weeks to fulfill that request. But, in fact, he was able to produce a comprehensive spend analysis from PROACTIS in just two hours. He was amazed. The CEO was quite happy as well."*

When asked about Zwiterleven's overall experience, de Kort states: *"We are very happy with the results from PROACTIS P2P – we've greatly reduced the time and effort required for invoice processing while significantly improving visibility and control of what we're spending. That is a great combination."*



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