



# smartPayables

## Open Door Pub Co Case Study



### The Business

Open Door Pub Co (ODPC) was established in July 2004 with the acquisition of 24 managed venues and 17 subleased venues from Lion Nathan Ltd. Their primary objective is to be a leader in the hospitality industry through business excellence in the supply of food and beverage and other related activities. Today ODPC is one of the largest non-gaming hospitality companies in Australia. They operate a diverse range of venues including pubs, bars and cafes across 21 locations in Victoria and New South Wales.

### The Challenge

The hospitality industry processes significant amounts of vendor invoices, POD's, and credit notes when receiving goods and services from suppliers. This created various challenges for the business including the following:

- Supplier invoices are received in numerous locations as a result of the business's geographical distribution. These invoices are required to be couriered or posted to head office. In some cases these posted invoices would be incorrectly delivered or lost causing interruptions in the day to day operation of the business.
- Employees were manually sorting, re-printing, copying, filing, searching, and re-filing invoices. This meant that invoices were being handled up to six times prior to actually being scheduled for payment. These manual activities were taking up a considerable amount of time and the extra labour costs directly affecting the business.

Naturally additional software solution was required to seamlessly integrate with the Open Door financial system. The solution was also required to fit the future IT roadmap in order to be effective. The business is currently using the NetSuite ERP system to manage their business accounts

*document management system*



## The Solution

ODPC wanted to streamline their business processes and enable visibility across the business. Implementing automation within the Accounts Payable department was seen as a key opportunity for this. In doing so they would reduce human errors and save time processing approvals for their invoices. The automation of current workflows would also allow ODPC to move in a paperless direction.

After investigating several options Redmap's smartPayables was identified as the solution of choice. It offered the business an end-to-end solution to manage the approvals process and filing of their vendor invoices. The seamless integration with their key business finance system also meant that there was minimal change management for the employees.

The first step in automating the approvals processes at ODPC was to eliminate the posting of invoices from each of the branches. All invoices received for goods and services are now scanned and emailed to a central email account at head office for processing. This eliminated both the wasted cost of postage and also the chance that invoices may go missing in the post.

Redmap captures the attachments to the emails and identifies the location based on the sending parties email address. smartPayables then automatically 'reads' the scanned invoice and extracts the desired data. An Accounts Payables clerk verifies that the data that has been extracted is correct to ensure 100% accuracy. At this point the GL code is also nominated for each invoice. The system then identifies which invoices have a PO versus those that do not. Those invoices that do have a PO and match the issued PO are then held ready for posting directly to the finance system.

Those invoices that either do not have a PO, or that do not match their PO, are automatically routed for approval to the venue management. The managers receive an email with a link to the invoices that require approval. The approvals workflow designed for ODPC was required to include escalation capabilities. In this case it was decided that a reminder email was to be sent to the manager every 2 hours until the transaction is approved. This has prompted management to process and approve these invoices as soon as they receive the first notification email.

All approved invoices are then uploaded to the ERP system where a pay run occurs once a week. The invoices are also available to all staff with the prerequisite authority to view and locate based on the common invoices tags such as vendor name, invoice number, date and so on.

In order to provide a complete history of the supplier transaction all archived supplier invoices in the existing legacy filing system were collated, scanned and imported into Redmap.

As with most Redmap customers, ODPC have found other ways to leverage their investment in Redmap. HR and the commercial departments are now scanning documents for storage in Redmap. This allows these departments to eliminate the laborious need to file and retrieve documents manually from filing cabinets.

*"While the fast return on investment via cost savings and improved efficiencies across the whole company has proved implementing our Redmap system was the right choice, the company has also experienced further benefits with record management and a move to a paperless environment. The continued initiatives and improvements to processes in conjunction with the ongoing support from Redmap have exceeded our expectations."*

Regan Cheriton, Chief Financial Officer

## Results

ODPC realised a number of immediate and significant benefits resulting from the implementation of Redmap's smartPayables solution. Some of these improvements included:

- ➔ Significant improvements to operations and efficiencies in administration and the reduced handling of invoices have resulted from the centralisation of the approvals process.
- ➔ Reduction in operating costs such as AP staff and office consumables (printing, paper, and courier cost) save the business unnecessary expenditure.
- ➔ Easy integration with existing business critical systems has enabled improved reporting resulting in transparency across the organisation.
- ➔ Improved control and management of outgoing payments to suppliers has reduced cash control risks and enabled the supply of goods and services to be streamlined.
- ➔ Continuous improvement of the business has also been achieved through the paper-less office and positive change management resulting from this project.



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