

Tate & Lyle: Finding the Right Ingredients for Invoice Processing

Tate & Lyle is a world leading manufacturer of food and industrial ingredients with operations predominantly focused in Europe and the US. The company has a diverse portfolio of products made from renewable resources such as corn (maize), wheat and sugar. Driven by the strong demand for functional ingredients in industries from beverages to building, the company's businesses produce sweeteners, starches, sugars, fermentation products such as citric acid and ethanol. Tate & Lyle is the sole manufacturer of SLENDA® Sucralose and the world number one in industrial starches and wheat proteins. These ingredients are used by food, industrial and animal feed customers across the globe and can be found in anything from breakfast cereals to newspapers, or from cereal bars to carpet showrooms.

Tate & Lyle operates more than 60 production facilities in 28 countries, throughout Europe, the Americas and South East Asia - delivering products to some 6000 customers worldwide. It employs 6,700 people in its subsidiaries with a further 4,800 employed in joint ventures. Dealing with thousands of suppliers, the company needed an information capture system that would improve the efficiency of its accounts payable process.

Challenge

In 2000, Tate & Lyle established a Shared Service Center (SSC) to centralise support and infrastructure and to optimise the use of company resources and technology. The SSC processes some 100,000 invoices and credit notes on a yearly basis for departments in France, UK, Benelux, Germany, Spain and Italy. The local offices receive invoices from their suppliers and forward these to the SSC in Aalst, Belgium.



Before the introduction of the Kofax Ascent solution at Tate & Lyle, all invoices were processed manually by the SSC. The invoices were centrally received in Aalst and sorted by country or legal entity. Next, the invoice information was manually keyed into the SAP system for further processing. Finally, the paper invoices were scanned and the digital images were archived using an IXOS content repository.

Since the invoices were scanned 'after' they had been processed in SAP, they could only be handled by one employee at a time and had to be returned to an archive cabinet after use. It took quite some time before the invoice process was completed and in some cases, documents got stuck on someone's desk or were misplaced. This delayed the processing cycle and could result in delayed payments and difficult end of month reporting for the accounts payable department.

Although Tate & Lyle had already implemented a document imaging system and a digital content repository, they realized the need to further streamline the accounts payable process. They had to switch from late to early archiving, scanning the paper as soon as possible in the accounts payable process.

The information capture solution had to be able to quickly and reliably extract the necessary information from incoming invoices and credit notes, releasing this information to the existing SAP system. The information could be called up on the screen anytime with a minimum of mouse clicks by anyone involved in the process. A smooth integration with the existing IXOS archiving and SAP management systems was key to the success. In 2004, Tate & Lyle decided to take the project to the next level.

Solution

Tate & Lyle teamed up with Smart Solutions, a trusted SAP business partner with a profound knowledge in the data management field, to help them meet their requirements. The solution consisted of Kofax' Ascent Capture platform with Ascent for Invoices and Smart Solution's Invoice Cockpit for error handling, plus customisation of an advanced SAP workflow. The project was implemented within 6 months and after a short test phase the solution went live in February 2005.

Classification

All invoices and credit notes are manually sorted by country or legal entity. After sorting, a barcode is added to the document. This barcode contains the SAP entity reference, the year and a sequential number. 'Attachments' get a different barcode for separation, so that after scanning, Ascent only performs OCR (Optical Character Recognition) on the actual invoices, skipping the attachments and significantly speeding up processing time.

Recognition

Invoices are now scanned and data is extracted automatically from the documents. Ascent for Invoices automatically extracts the necessary invoice information with a recognition rate of 84% and exports this information to SAP. 'With the deployed technology, Tate & Lyle has been able to accelerate its payables process,' says Anne-Lise Sergant, Credit and SSC Manager at Tate & Lyle.

Error handling

Any discrepancies, detected by the system will pop up in Smart Solution's Invoice Cockpit module. After correction in the Invoice Cockpit, the documents are further distributed for review and approval within the organisation using SAP workflow.

The unique combination of Smart Solution's Invoice Cockpit and the advanced SAP workflow results in a drastically improved process flow and financial transparency throughout the entire organisation. "Once the information is available in the system, it is accessible to all relevant individuals so that there are no more 'excuses' for not acting on identified issues." "Also, the backlog is always available for consultation," continues Anne-Lise Sergant.

Results

"The new solution brought transparency to the accounts payable process and proved to optimise the overall procurement process. It is great that we can always find our invoices in the system, whether they are booked or still awaiting processing," says Ms. Sergant. "The system allows us to more efficiently create our end of month reporting." The cost centre now has a total overview of its costs, resulting in better cost management and a more proactive approach when detecting discrepancies. Also, local subsidiaries can investigate their own costs and budget calculation goes much faster. It is easier to identify bottlenecks and to see 'where' they occur within the accounts payables process, enabling timely intervention.

The SSC is determined to optimise the process even more, so that the AP team has more time to 'actively solve problems' and optimise the procurement process. To get there, Tate & Lyle is researching how they could add Ascent Capture's automatic invoice line item recognition features to streamline the accounts payable process even further.

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