

opentext™

SUCCESS STORY

IFCO SYSTEMS

Industry

- Consumer products

Solution

- OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions

Results



Accelerated validation for freight and non-freight invoices



Ensured consistency and accessibility across dozens of countries



Enhanced business growth and resilience in shifting market demands

IFCO

IFCO accelerates invoice validation for fresh food supply chain

World's largest supplier of reusable plastic containers boosts productivity to meet growing demand with OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions

VIM enabled IFCO to dramatically accelerate the approval and validation process.



1.7 billion: it's the number of food shipments moved from suppliers to grocery retailers in IFCO SYSTEMS reusable plastic containers (RPCs) every year.

Close to three decades ago, IFCO was the first company to develop an outsourced pooling system of RPCs for fresh fruits and vegetables. The global provider headquartered in Germany now offers more than 70 models of RPCs, ranging from green display-ready cases for fresh produce to yellow stackable totes for meat. All are constructed of durable food-safe plastic and designed to ensure temperature control to maintain product freshness. Compared to single-use packaging, RPCs reduce damage and food waste while their reuse reduces energy and material waste.

Serving customers in more than 50 countries with 314 million RPCs, IFCO has more units in circulation worldwide than any other supplier. As such, efficient logistics to ensure RPCs land when and where they are needed are core to the operator's business model. Containers must be delivered clean and ready to use; then collected, sanitized and redistributed to thousands of growers, producers and retailers based on seasonal need, according to Florian Bickert, director of corporate applications & processes for IFCO.

Not surprisingly, close to 80 percent of invoices submitted to IFCO are freight invoices from carriers, dropping additional tasks on the IFCO finance team, noted Bickert. Freight invoices must be validated against internal documents, such as delivery records and sales orders within IFCO's SAP® system; however, the previous technology IFCO used for validation was an external tool, based outside of its ERP solution. The RPC supplier maintained a separate system to validate the vast majority of incoming invoices, adding complexity and manual steps that slowed processing.

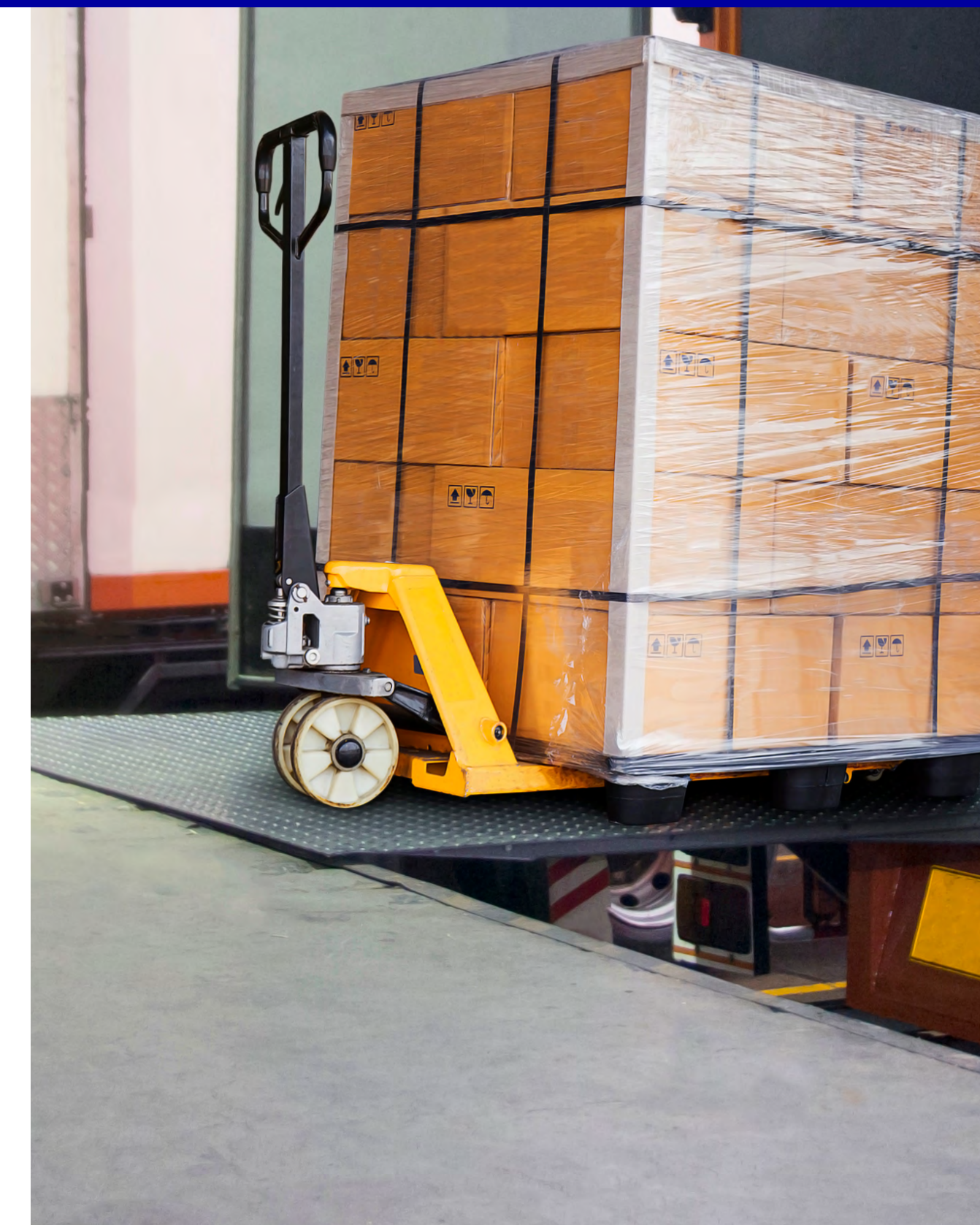
IFCO chose OpenText™ Vendor Invoice Management (VIM) for SAP® Solutions to augment and leverage its SAP environment for all invoices. VIM includes pre-configured rules, roles and actions to automate invoice receipt and posting. It enables IFCO to validate all invoices against enterprise records within SAP, taking advantage of security standards, data privacy and end-to-end workflows.

Midway through implementation of VIM, the COVID-19 pandemic altered IFCO's planned course of action with a shifting workforce and dramatic volatility in demand across the globe. Back-office efforts moved into dozens of home offices. Still, the supplier moved forward with assurance, completing preparation to move the whole company to VIM within four weeks. In total, IFCO rolled out VIM to 25 countries within 18 months.

IFCO accounts payable professionals access invoices and related documentation via VIM regardless of their location. Most invoices are processed automatically and approved for payment through deep integration between the invoice management tool and SAP. OpenText optical character recognition, archival and processing via a mobile application added integrated solutions beyond invoice validation. Migration to OpenText also encouraged a standardized electronic format for invoice submissions, as the team used the project to harmonize communication with its vendors.

Using VIM along with integrated capabilities, IFCO can now handle all invoices with tools and processes across the enterprise that propel productivity and support business resilience and growth. Currently, close to 500 personnel use VIM to validate invoices, with 100 acting as approvers.

Even during the pandemic, IFCO scaled AP operations to support increased business with growers, warehouse operators and retailers.



Consistency across borders

Though requirements vary by country, IFCO meets all regulations through VIM, enabling reliable and consistent invoice management regardless of the location. Many legal aspects were recognized right out of the box, others were accommodated as needed through design and workflow. While implementing one template globally, the team added different legal requirements and cultural aspects in the approval process for each country—a customization received positively by IFCO personnel.

Furthermore, compared to limited languages available in the previous invoice management solution, VIM supports modern adaptability for the multinational organization. IFCO now offers several options in native languages for numerous countries, boosting the acceptance rate among requestors and approvers.

Productivity across workplaces

Through OCR technology, incoming invoices are automatically recognized and routed for approval. SAP integration leverages workflow efficiency. Altogether, VIM enabled IFCO to dramatically accelerate the approval and validation process by reducing the manual steps required to validate freight invoices. The expedited process gained enthusiasm from AP professionals who can access VAT (value-added tax) codes immediately and act quickly on changes.

Along with time-savings, use of VIM also eliminated occasional double payments more common with the manual system.

Resilience across external forces

VIM supports stability in an industry affected by natural disasters and market fluctuations, according to Bickert. In response to the COVID-19 pandemic, IFCO relied on VIM to maintain constant connections with its vendors for ongoing service to customers experiencing disruption. The invoice management solution eased the shift from back-office work to home office work, ensuring IFCO limited interference on daily business to serve all the validation processes.

In fact, VIM supports IFCO in its growth-focused effort to conduct more business with the same headcount: Even as it experienced new conditions related to the pandemic, IFCO scaled AP operations to support increased business with growers, warehouse operators and retailers.

In the future, IFCO plans to extend automation capabilities for freight invoices as well as reduce its high rate of non-PO invoices to further enhance validation and approval processes.



About OpenText

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