

CASE STUDY

Global Beverage Company Transforms AP from Cost Center to Profit Center with Order-to Pay

One of the world's largest producers and distributors of beverage products aims for 100% invoice automation worldwide.

OVERVIEW

When the company acquired large subsidiaries in Europe, the Middle East and Africa, it needed to bring all businesses up to speed on its Order-to-Pay project goal: reduce paper invoicing and payment transaction processing in Accounts Payable (AP) by 80% over six years – all while maximizing discount and rebate opportunities.

J.P. Morgan's Order-to-Pay solution allows the company to standardize and automate its processes globally, cut processing costs and maximize discounts across all its businesses.

CHALLENGES

- **Reduce paper invoice volume by requiring all suppliers to transact via electronic invoicing:**
 - International suppliers were largely unfamiliar with electronic invoicing processes.
 - While many European companies have not quickly adopted eInvoicing systems, ePayment systems are popular and indicate a tendency to embrace new technology.
- **Global organization requiring global services on a large scale:** The company wanted a partner with a shared service center model for procurement, as well as global reach and expertise.

SOLUTION

The beverage company selected J.P. Morgan's Order-to-Pay to help reduce paper invoice and payment transactions in AP. Using the Order-to-Pay secure settlement network, the company automated invoice and payment processing, as well as dynamic discount management.

The benefits of electronic invoicing were realized across the organization in AP, Treasury and Procurement, demonstrating enhanced business performance and improved financial results.

RESULTS

The company used J.P. Morgan's Order-to-Pay solution to turn AP from a cost center to a profit center, thanks to a **decrease in spending through reduced full-time employees (FTEs) and processing costs, coupled with the working capital benefit gained through dynamic discounting, as well as via extended and early-payment terms.**

- The company's U.S. and Canadian businesses have **electronified 500,000 invoices and added 3,200 suppliers to their network – and realized \$175,000 in discounts annually.**
- The company expects to **save \$8.3 million over six years, with a 38% internal rate of return (IRR)** due to a decrease in check processing costs, discount management and FTE reduction/redirection.
- With the European implementation underway, this standardization of processes provides a **solid base on which to expand Order-to-Pay globally.**

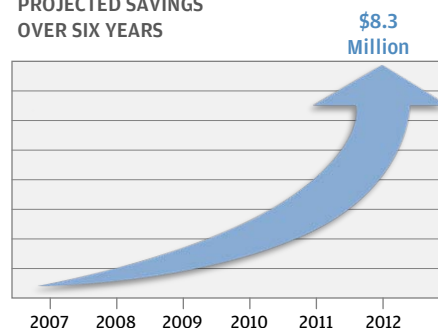


“Our goal is to realize 100% invoice automation, and J.P. Morgan's Order-to-Pay is the tool that will help us achieve that objective.”

“By outsourcing our Accounts Payable processing activities, we are able to greatly reduce processing costs, maximize discounts and standardize practices globally.”

Director/Global Process Owner,
Procure to Pay

PROJECTED SAVINGS OVER SIX YEARS



For more information, please contact your J.P. Morgan Treasury Services representative or visit jpmorgan.com/ordertopay.