

Arkema Inc.

Arkema Inc., headquartered in King of Prussia, Pa., is the U.S. subsidiary of the French global chemicals and materials provider, Arkema. To improve efficiency, the company launched an ambitious plan to overhaul its manual, decentralized Accounts Payable (AP) processing system. The company's goal—become a best-in-class AP organization—was achieved using ReadSoft from Lexmark technology.

Challenge

Deemed a “pain point for the company,” Arkema's primarily manual accounts payable (AP) process was in need of an overhaul. The project objective was to consolidate AP systems and optimize the process with an automation solution—one that could provide visibility into the data, save costs, and reduce paperwork.

Thorough assessment, high expectations

While consensus for an AP improvement project was prevalent across the company, a thorough evaluation of processes was conducted prior to making any decisions on how to improve. Arkema had a variety of business models in place for its AP system: a centralized model, in which a small percentage of invoices were sent directly to the company's headquarters in King of Prussia, Pa.; a regional model, in which a plant was processing invoices for its own operation and for other plants; and a local model, in which plants were processing invoices directly.

Paper was abundant and transparency, especially into the approval process, was virtually nonexistent, according to April Capeland, Process Optimization Manager. Outstanding invoices were not visible until after they were entered into SAP.

Integration with the organization's financial systems was also disjointed. Some of the organization's 100,000 plus annual invoices were processed in SAP and some were processed in other legacy systems.

Solution

Arkema wanted to standardize its AP processes through the U.S. to achieve data visibility for stakeholders inside the organization and outside with its vendors. All invoices would be received centrally in King of Prussia, Pa., where they would be scanned, verified, and visible to everyone in the organization, including purchasing and operational accounting at the plant locations. AP staffing would also be restructured to include a dedicated scanner, dedicated verifiers to optimize the routing process, and processors at the single location.

Meet Arkema Inc.

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Focus: Chemicals and Petroleum
Financial Process Automation

Implemented in: Accounts Payable

Integration: SAP

Product/technology: ReadSoft Invoices
ReadSoft Process Director



"Now we have a better view of what we owe our vendors. All those stacks of invoices are now in Process Director as lists so I can see the high-profile vendors, identify severely past due invoices. Cash flow management is also easier."

Marc Nellett

Accounts Payable Manager
Arkema Inc.

A strategy to become "best-in-class"

Arkema considered several vendors to automate its invoice processing, yet it became clear the best fit was ReadSoft's advanced OCR and SAP-certified workflow solutions, Invoices and Process Director, because they offered continuity with Arkema's parent company, as well as flexibility and scalability for the future.

Arkema quickly realized 100 percent visibility throughout the invoice processing cycle. The time needed to check on the status of an invoice was reduced to minutes, compared to hours or days prior to automation.

Centralization and automation have helped Arkema make more timely payments and save on overhead costs. Arkema's process is now to scan each document, hold it for three months, and then destroy it. The scanned copy becomes the invoice of record.

"We had three or four plants processing their own, and there are no plants processing now so we really have essentially reduced headcount," says Marc Nellett, Accounts Payable Manager. "We haven't quite given up the file cabinets, but they are kind of empty, so that too is a big advantage."

Results

Delivering efficiency, full visibility

Automating AP processes brought Arkema 100% visibility into invoice processing, which increased accountability in the approval process. The company reduced its annual invoice processing rate (per FTE) by 10%, and is on track to reduce it by an additional 30% in the second year.

Other benefits of transitioning from a file cabinet-based archive to electronic archive included fewer late payments and easier, more accurate reporting—features that helped keep vendor relations strong.

Industry-leading business process automation

In 2014, Lexmark International, a global technology leader, acquired ReadSoft, a leading provider of applications for automating business processes. Together, they become an unmatched solution for financial process automation. Lexmark enterprise software, hardware and services remove the inefficiencies of information silos and disconnected processes, connecting people to the information they need at the moment they need it. This case study reflects ReadSoft products and positioning at the time of acquisition and has been approved for use.

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