

How this Restaurant is Eliminating Paper and Saving Money

Restaurants are busy places, with lots of goods coming in and lots of (hopefully) happy people coming out. While you can't put a price on a happy customer, there's a price, and an invoice, on just about everything else in the building, from the dishes to the food orders. For one of the country's largest restaurant chains many of those invoices go to their franchises, but it still left approximately 14,000 paper invoices each month to be processed from many different vendors. Though the department was run efficiently, it's not easy keeping track of that much paper, no matter how many people you have working on it.

This restaurant chain was striving to remove paper from the equation and be able to work more efficiently. On average, it took about 18 days for an invoice to be approved and 25% of the invoices they were working with were paper. Due to these factors, they were unable to receive any discount capture and the clerks that worked there were constantly hurrying to keep the invoices moving through the process.

Goals:
<ul style="list-style-type: none">• Go paperless• Increase process efficiency• Increase discount capture• Decrease average approval days• No supplier fees

Regardless, this company did a good job getting 75% of their suppliers electronic with EDI before deciding to move to the next level of automation. When they decided to look for a solution, they were met with a busy market and several offers to provide them with the services they needed. Originally, they went with a good automation solution, but when that provider began charging suppliers fees, it became necessary to switch solutions to keep the project successful. That's when they decided to work with iPayables.

Once implemented, iPayables was able to provide the consistent, high-level service that this company had been looking for, while also allowing them to maintain a higher level of control over their process,

without any additional supplier fees. Efficiency and productivity increased to the level they had hoped for, but the payables department was surprised to discover how much more control they had over their payables process with iPayables. Control-wise, not too much changed; their invoice information, workflow, and efforts were simply digitized. The same work was being done and the same invoices went through the same process, it just required less work on the part of the AP personnel.

With their previous manual tasks now automated, the payables clerks could turn their attention to more detailed supplier issue resolution and discount capture. When some of the clerks decided to move to different departments or different jobs and their positions opened up, the company didn't need to refill them. The remaining clerks were able to handle all the usual tasks, as well as take on some reporting and auditing responsibilities. The new attention on discount capture combined with iPayables dynamic discounting tools resulted in substantial savings that produced more savings than the company spent on the whole payables department.

	Before	After
Number of invoices received monthly	14,000	14,000
Percent of invoices processed electronically	75%	>95%
Average number of approval days per invoice	18	3.4
Average amount of discounts earned monthly	\$0	\$66,700

It's now been nine years since this prominent business has switched to automation with iPayables. With the proper tools, the AP personnel are now on top of paper and the entire department. In fact, this

company has seen a headcount reduction of over 60% in the accounts payable department and iPayables has helped them continue to grow from 75% to more than 95% electronic. Additionally, they're at an average of 3.4 approval days and earning early-pay discounts because of it. This company has seen their AP department go from a cost-center, where all that happened was sending money out, to a high functioning department where discounts allow the company to save.

The accounts payable department has always been diligent and resourceful, but with the proper tools and the right solution the job is much more manageable, and the company sees the results of their hard work. Every AP team knows how important control is and this team has it, down to knowing where every invoice is and what, or who, it's waiting on. There's always room to continue growing and the company consistently sets new goals that allow them to keep progressing in and leading their industry. Most companies don't realize how much of an impact the accounts payable department can have when running efficiently, but this restaurant chain is reaping the rewards of the department's diligence.

This case study was written by iPayables, Inc. If you have any questions regarding AP Automation, please feel free to contact us at 866-874-7932 or <https://www.ipayables.com/contact/>

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