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Customer Story

APPLEGREEN PLC

Inplementation of
Kefron AP to streamline
the Invoicing Process

Customer Background

Established in 1992, Applegreen is the number one motorway service area operator in the Republic of Ireland with a significant and growing presence in the United Kingdom, and an increasing foot hold in the US. The Group operates a distinctive retail led business model focused on offering "low fuel prices always" and aims to provide a premium food and hot beverage offering in all its sites.

Applegreen has a number of strategic partnerships with international brands including Burger King, Subway, Costa Coffee and Lavazza. The business also has its own food offering through the Bakewell café brands. Applegreen's growth strategy is focused on acquiring and developing new sites in the markets in which it operates and on upgrading and rebranding existing sites.

Customer Situation

At the time Applegreen operated over 200 stores across Ireland, UK and US, all of which deal with a variety of Third Party vendors in their day-to-day operations. They are a "fast paced, entrepreneurial company" and have seen substantial growth in the last 10 years.

Because of these continuous advancements in the company's growth, Applegreen's Accounts Payable (AP) process struggled to keep up with the increasing demands placed upon it by new sites and volumes of invoices.

> *The Accounts Payable system that Applegreen had in place was somewhat outdated and brought with it many challenges.*
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> *In my 30 years working within the AP function, Applegreen's AP process was certainly one of the more complex that I had come across. We tried to maintain our original AP processing plan with each new store and, while this worked when it was just 50 sites, it became very difficult to replicate at 200 sites. Our growth was so fast, the old way of doing things was not sustainable."*
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> **Sandrine Tugler, Accounts Payable Manager, Applegreen**

The Applegreen AP team receive tens of thousands of invoices a month. Roughly half of the invoices received arrive via the Applegreen Distribution network. This involves Applegreen Logistics collecting the invoices from the individual sites and delivering them to an Applegreen warehouse. The invoices are then sent to the Applegreen HQ AP department in Dublin.

Once AP receives the documents, they sort the appropriate ones and send them on to Kefron who captures them digitally.

While it sounds relatively straightforward, it was anything but.

> "There were many challenges along the way! We were receiving emails, letters, spreadsheets, from all different directions which made it extremely difficult to track and documents could easily be misplaced. Also, the envelopes we received from sites would often be filled with various random documents that had no reason to be included. We had to sort these envelopes, determining what site they came from and whether it was relevant for the AP department or just a miscellaneous item. This would take at least half a day to complete and needed to be done every day."

Sandrine Tugler, Accounts Payable Manager, Applegreen

It could take a long time simply to get sight of an invoice which as you might expect caused many issues with suppliers and added further problems as vendors began re-sending the invoices to the AP department, thus creating many duplicates.

Furthermore, Applegreen sites remain open 7 days a week, invoices were sent on a constant basis. As the company expanded, a much higher volume was being received, the business growth was so fast a change was needed.

Sandrine knew that if she wanted to improve how Applegreen managed their invoices then she would have to automate the process. She wanted a solution that would be easy to implement, simple to use and that users could understand quickly. Sandrine had researched OCR technology in previous roles and knew that technology could be used in some cases to automate a lot of the time-consuming tasks in her department such as manual keying. Visibility was also a huge issue for Sandrine. Getting an accurate and up-to-date view of outstanding invoices was crucial but difficult with the manual processing.

Applegreen spoke to a number of companies offering AP Automation solutions. However, having both previously worked with Kefron and having demonstrated Kefron's AP technology, Applegreen concluded Kefron was the strongest partner to resolve their AP specific challenges.

> "As business development manager my goal from day one was to deliver for Sandrine and her team. says Project. Whilst we knew it would be a massive challenge meet the demands of such a dynamic, fast paced company, we knew we could deliver the right solution for Applegreen."

Angelina McGuirk, Key Account Manager on the Kefron AP

Accounts Payable Automation
Solution

Kefron's solution was to provide Applegreen with 'Kefron AP', a secure, supported, hosted and bespoke portal for the processing of Accounts Payable related documentation.

Requirements analysis meetings were held initially between Kefron and Applegreen to determine overall project goals and map workflows. Organising these tasks early in the process ensured a successful, risk free and tested implementation of the Kefron AP solution.

HOW IT WORKS

Through Kefron AP, all documentation is sent to the same portal, no matter what channel it originates from. Paper invoices are scanned and uploaded on-site by the AP user while e-invoices (PDFs) are emailed to an automated email address from the different sites and are immediately made ready for processing.

Kefron AP then reads and extracts the required invoice fields, including supplier name, supplier code, PO Number, Invoice Currency, Company Code and Net, Gross & VAT amounts.

Any discrepancies or invalid information that arise from invoices are pushed for user verification and routed to a workflow for validation by a member of the Applegreen AP team. The system also vets duplicate invoices and removes if the same invoice has been previously presented from the same supplier. Date ranges are applied, so invoices either pre-dated by over 2 months are stopped for validation and post-dated invoices by 6 months are equally stopped.

Both touch-free invoices and those validated by the Applegreen team are automatically exported daily at a predetermined time. This export file is then used by Applegreen to input into their accounts package.

All documents received by Kefron AP are securely stored within the system, meaning they can be searched for and accessed later by the Applegreen team. They are then given access to the system through a web based user interface using secure log-ins for verification purposes. Kefron provided all relevant Applegreen staff with training for using the new system, following a successful testing period which was completed over a short period of time.

Collaboration was the key to implementing the solution explains Neil Reilly, Project Manager with Kefron. "*We mapped the solution with Sandrine and the Applegreen team, worked through challenges as and when they arose and made continual progress until completion.*"

Challenges

Due to the large volume of documents that Applegreen dealt with monthly, it is no surprise that challenges arose during the project.

A major challenge was the company coding employed by Applegreen to discern which site and or department the invoice was to be applied to. Suppliers did not present the company code number on invoices and the refore Kefron had to construct a method to infer the code by using OCR technology. The challenge was overcome by extracting the invoice address, digitising the address data and then, by using a set of lookup rules, determine the correct company code to apply to the invoice. If the code could not be determined the system would send to the Applegreen AP team for validation. The results proved to be an overwhelming success with total fallout in the company code running at less than 20%.

Another challenge was the complexity of Applegreen's previous invoicing process, which involved suppliers who operated across several countries. This was made even more complicated by the fact numerous invoices could be sent from the same site. For example, some franchises could potentially send their invoices at different times but from the same site.

This complexity and scale meant Kefron was dealing with a situation they had not faced before and as it transpired, the plan they originally had in mind did not work. Kefron was quick to acknowledge that their original solution would not be sufficient but worked effortlessly to create additional options, eventually creating a solution that fulfilled Applegreen's needs.

In my 30 years working within the AP function, Applegreen's AP process was certainly one of the more complex that I had come across."

Sandrine Tugler, Accounts Payable Manager with Applegreen

The Key Benefits

Since the system went live in March 2017, the Applegreen AP department has seen significant improvements in their accounts payable process according to Sandrine:

REDUCED PROCESSING TIME

"*Before Kefron AP, we used to have a significant volume of documents in the scanned queue, out of which 20% were not relevant for processing (not invoices, duplicate, vendor did not exist).*

Dealing with these unnecessary documents slowed down processing. Consequently, the average processing time for an invoice from date of invoice to date of posting, was 40 days. We were constantly on the back foot."

"*Now, the average time it takes for the invoices to be processed is reduced from a matter of weeks to a matter of hours.*"

"*All documents coming from the last 3 months. We no longer have to worry about wasting time sorting papers that we shouldn't have to deal with.*"

REDUCED PAPER USAGE

As well as reduced processing time, Kefron AP has also drastically reduced the paperwork involved, as files now arrive via the online portal. This is a major boost for the AP team as it has significantly lowered the prospect of files going missing.

DECREASE IN DUPLICATES

The faster processing time also eradicated the duplicates in the system, as suppliers were satisfied with the response time and did not feel the need to resubmit invoices.

INCREASED VISIBILITY

Digitally capturing the invoices meant the Applegreen AP team were also given greater visibility on invoices and could quickly identify all key information, giving them greater control of the AP process.

ELIMINATE HUMAN ERROR

The automatic upload of information eliminated the need for manual input, therefore lowering the risk of potential human errors.

CAN BE USED ANYWHERE

Kefron AP has also made theprocessed invoices instantly accessible as users can access the system through their phones and tablets as well as their computers. This is invaluable as the AP team can monitor invoices even when they're away from their desks.

Future

One of the first tasks Sandrine set herself after joining the Applegreen team was to oversee a complete makeover of the AP process. Whilst there is still more work to do, the changes that Kefron AP has made to the process has brought great relief to her and her team. "It's fantastic. Instead of being on a slippery slope, running like mad but staying still, we are now constantly making progress."

Streamlining the invoicing process has meant that Applegreen AP has finally caught up with the rest of the company and shown that they are committed to the innovative image that the Applegreen brand promotes. *"At Applegreen, we don't just see ourselves as a fuel retailer, we are a destination, somewhere you can come and relax as well."*

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> *In my 30 years working within the AP function, Applegreen's AP process was certainly one of the more complex that I had come across. It was a massive challenge to undertake and I have been incredibly impressed with how Kefron handled it. The teamwork was exceptional and there was always a determination from them to deliver. I loved their constant work and support and desire to move forward, despite any setbacks."*
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> **Sandrine Tugler, Accounts Payable Manager, Applegreen**

By automating your Accounts Payable Department you can streamline the invoicing process, eliminate potential human errors and lower the cost per invoice processed.

Kefron equally enjoyed the project and working with Applegreen. As Neil says, "A real bond was formed between the teams and a great working relationship and respect endures to this day."

Angelina was delighted with how the project worked. *"It is always hugely rewarding to work with customers who have complex internal workflows such as Applegreen's AP Department."*

> *It was a pleasure to see it through right from the beginning to the very end. I'm 100% confident we have left them with a hugely successfully platform and have ultimately changed how they do business on a day to day basis. We have increased visibility and created huge efficiencies within the AP department which allows the team to focus on the more important tasks at hand. These types of projects can falter without an internal driving force so it was fantastic to work with Sandrine. Her energy, drive and openness to move the business forward through the use of technology is the reason the Applegreen accounts departments is operating as efficiently and effectively as it is."*
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> **Angelina McGuirk, Key Account Manager on the Kefron AP**

Looking ahead, the future is bright for Sandrine and her team. "I see Kefron AP being part of Applegreen's AP solution for the foreseeable future. Based on the experience so far with Kefron, our company has also used Kefron for other data projects."

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