Alcan

Company: DocumationCustomer: AlcanSubmitted by: DocumationDate: February 2003Alcan's Shared Service Centre implements Documation's Invoice Management Solution (IMS) to automate invoice processing and authorisation. This is one solution that really does do what it says on the tin. Alcan is a cutting-edge organization with a remarkable combination of talented people, innovative products, advanced technologies and a decidedly customer-focused culture. With approximately 52, 000 employees in 38 countries, Alcan has leading positions in raw materials, primary metals, and fabricated products. These include products and systems for the automotive and mass transportation markets and aluminium sheet for beverage cans, as well as flexible and specialty packaging for the food, pharmaceutical and personal care industries worldwide.

A look at the world of Alcan reveals a company with a global reach and exceptional promise for future growth. This winning business strategy has resulted in sales of US$3. 2 billion and net income of US$157 million in the second quarter of 2002. In the UK, their financial Shared Service Centre, providing services to six of their locations in the UK, was experiencing difficulties with their authorisation process. As Jim Palm, responsible for business process re-engineering at Alcan, remarks:" Previously there was a long and arduous process for authorisation as the department had six plants to cater for. Each invoice that didn't match the purchase order had to be forwarded by post and authorised and that lead to a cumbersome chasing process.

" Although they had implemented Oracle Financials only 4 years previously with automated invoice matching, it tackled only 60% of their invoice

authorisation. The remaining 40% of the 120, 000 invoices they processed a year, had to be manually sent to their divisional branches for authorisation. Naturally, keeping track of each invoice and chasing authorisers was putting a strain on the department. Knowledge workers that could spend time on more valuable tasks were undertaking a chasing process to ensure that invoices were authorised and sent back within their credit deadlines. Jim Palm headed the team that stepped in to examine the situation and see if there were any viable solutions to the problem. Their number one objective was that it would measurably reduce costs for the department and have a rapid return on investment.

After a lengthy tender process meeting with eight possible vendors and short-listing three, they chose " the most logical solution to the problem", Documation IMS. Documation Invoice Management Solution, IMS, is a specialist document management and workflow application that automates the processing of invoices, removing the four areas that increase cost in the finance department – manual data entry, storage of paper, retrieving documents and authorisation of invoices. iAuthorise, a module of IMS, was launched in mid-2000 and was an instant success. It replaces manual authorisation processes by using the Internet to allow authorisers to view the invoice, the invoice details and previous authorisers. They can then authorise the invoice instantly online. There are also a number of options for returning the invoice unauthorised if incorrect or to send it to someone more appropriate.

iAuthorise monitors the entire process, escalating invoices if they haven't been authorised within the business limits, issuing reminders and keeping

track of unauthorised invoices. Documation IMS with iAuthorise was installed at Alcan and transformed the Shared Service Centre. Staff, no longer spending time posting and monitoring each invoice, can continue with more valuable work. It is easier to pay their suppliers within their credit terms thereby improving supplier relations. If there is a query from the supplier, the department can handle it efficiently, eliminating " on-hold" syndrome or incurring the cost of another call. They have replaced their old microfilming process so that invoices can be retrieved instantly via a link to Oracle Financials helping to answer queries more rapidly and making the department more efficient.

This instant accessibility to invoices is available to selected users throughout the six branches facilitating self-service and further reducing the workload of the finance Shared Service Centre.

Jim Palm is delighted with the result:

" We are very pleased with the result. We don't see any difficulty in reaching our return on investment target." In the future, Alcan will work closely with Documation to introduce the technology to other " paper-intensive" areas of the company. The two teams developed an excellent working relationship from the beginning of the project, which is crucial to end user acceptance.

The team at Alcan received assistance from the project and support teams who Jim Palm believes " have a good internal tracking system. Nothing reported went astray and the team were very responsive".