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Cost savings and greater efficiency drive energy supplier to automate accounts payable function

FOUNDED in 1935, Calor Gas is the United Kingdom's leading liquefied petroleum gas (LPG) supplier of propane and butane with over 70 years' experience in this flexible and environmentally-sensitive energy market. The company is owned by SHV Gas, the largest global distributor of LPG.



Around four million customers rely on a Calor LPG supply for a wide variety of applications. Calor's traditional ranges of cooking and heating applications have been extended to cover areas such as materials handling, alfresco living, automotive fuels, and ground care. Calor's implementation of ISO 9001 quality procedures and accreditation as an Investor In People, are just two examples of its commitment to continuous improvement. Investors In People (IIP) is an international quality standard for effective investment in the training and development of people to achieve business goals.

Across the UK, Calor has nine customer operation centres and multiple retail outlets, with its head office in Warwick. The company employs approximately 1,200 people across the country and has revenue in excess of £325 million.

Challenge

In its head office, the company handled in excess of one million documents including delivery notes and customer correspondence annually. Calor previously used a legacy system for document management, which had no data capture capabilities. Calor recognised there were two priority areas it needed to address in terms of process optimisation: first, automating accounts payable (AP) and, second, digitising its mailroom.

Regarding the Accounts Payable (AP) department, there was a requirement to deliver significant efficiencies within accounts payable workflow processes. As part of delivering those efficiencies, supplier invoices needed to be captured electronically through the mailroom. The company's former system was antiquated and Calor needed a single platform for both applications.

Solution

Calor Gas chose to digitise its mailroom and accounts payable applications using AnyDoc software. The project began with accounts payable where the technology of AnyDoc INVOICE integrated well with Calor's Docusphere workflow system.



The system handles both structured and unstructured documents, the latter through use of AnyDocINVOICE's AnyApp technology.

Calor set up a forms-based template which is used routinely across the business. Where the template cannot be applied, AnyDocINVOICE's real free-form capture ability comes into operation. The captured data is accurate, and it is validated automatically against a number of Calor's data sources.

Utilising a single supplier was important for Calor. Reference visits were made to AnyDoc customers to determine the product's suitability. AnyDoc was judged to be more powerful than any other technology that Calor reviewed. In addition, it was sophisticated and it integrated with the company's software and network infrastructure, which includes Docusphere for workflow, Onyx for CRM, and JD Edwards.

Benefits

Cost savings was a key driver for Calor and some savings have already been achieved. A number of AP staff have been able to refocus on their core competencies. Archiving and postage costs have been reduced, and the company has also seen much improvement in the distribution of documents across their business.

According to Kam Gakhal, Systems Process Manager at Calor Gas, "We are paying suppliers earlier than before, and we're in a much stronger position to negotiate extended payment terms because of the reliability of AnyDocINVOICE and our supporting infrastructure. We've also been able to reduce our duplicate payments by nearly 50 per cent.

The AnyDoc solution is also benefiting Calor's suppliers. They now experience more seamless, timely transactions and invoicing, have less contact with Calor's AP department, and client communication has improved. Documents are better managed and distributed much more efficiently. All this makes for better overall customer service.

Calor believes it has achieved its goals and will continue to work with AnyDoc to identify how greater efficiencies and savings can be achieved in other areas of its business. Moving forward, Calor is looking to make better use of what AnyDoc has to offer, such as remote scanning and classification options for its digital mailroom.

Key business benefits include:

- Reduced manual sorting with automated classification of incoming mail
- Improved workflow by increasing distribution and availability of documents across the business
- Reduced duplicate payments by increasing AP efficiency
- Improved payment terms through improved negotiating position with suppliers.
- Reduced costs including postage and archiving
- Improved customer service through better communication

- Produced seamless, timely transactions and invoicing by improving data accuracy and document availability.



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