

Customer Case Study: Sea Containers

Automation of accounts payable for Sea Containers

Background

Sea containers is a Bermuda based company with operating headquarters in London and has been listed on the New York stock exchange since 1974. They have a diverse portfolio of companies, ranging from ferry and train passenger transport, container leasing, fruit farming, publishing and travel.

In 2002, the London-based accounts payable (AP) department began investigating what changes could be made to their supplier invoice processing to increase efficiency and improve control. At the time they were an 11-strong team, processing invoices for 13 different companies, all of which involved multiple currencies from a global supplier base. Approximately 70,000 invoices per year were processed through their Coda Open VMS finance system using hard copy print outs to support the manual authorisation process. It was a complex department, with one of the main challenges coming from the diversity of processing requirements for the many different companies involved.

The main problems the AP department were experiencing were:

- Lack of ownership of the authorisation process from the business
- Slow invoice coding and authorisation processes
- Lost invoices
- Poor supplier relationships
- High cost of storing and retrieving paper invoices

Sea Containers Ltd.



Solution Investigation

Sea containers began investigating the cost effort supporting their manual processes in order to analyse the potential cost savings that could be made with an automated solution. It became apparent that using a document management and workflow solution, they could solve a lot of the existing problems, removing the manual controls and process, and giving the business the ability to own their processes.

The next stage was to identify what solutions were available, in order to find the system that best suited their diverse needs. After careful consideration, the decision was made to use a solution from Documation, a specialist UK based invoice management company.

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How the solution works for Sea containers

With the IMS solution, invoices arrive in the AP department in London, they are instantly scanned and the details are then manually keyed into the IMS system.

The invoices then require coding and authorisation by the individual who originally placed the order. There are approximately 150 authorisers, based in the UK and the international offices in Charleston, Singapore and Australia.

George Rogers, Group Payables Manager at Sea containers explains why Documation was their optimum choice:

“The decision was made to use Documation’s IMS solution as they offered a robust yet extremely flexible solution. One that could be tailored to our very specific yet diverse requirements. We felt that the Documation team shared our enthusiasm and could deliver as promised”



Authorising and Coding

The AP team selects the authoriser from the named contact on the invoice and IMS automatically distributes the invoice for coding and authorisation. The authorisers are notified of invoices to code or authorise by email and they have access to the IMS system via a browser to complete these tasks.

IMS’s coding assistant module makes it much easier and quicker for business users to code invoices with the use of intelligent defaults and suggestions.

With authorisation, for invoices that either:

- Include lines which do not relate to the first authoriser’s cost centre, or
- For instances where the first authoriser does not have the sufficient sign off limit for the amount on the invoice,

an alternative authoriser will be automatically selected and receive the invoice. If, at any time the authorisers have a query about an invoice or believe it should not be paid, it can be automatically passed back to the AP team.

Once the coding and authorisation is complete, the invoice details are automatically passed from the IMS solution to the Coda financial system, updating both General Ledger and supplier accounts.

Upon payment of the invoice, Coda feeds data back to IMS. This ensures the IMS system always contains the up to date information about each invoice.

It is ideal for business users to have access to this information as opposed to contacting the AP team with every query regarding their invoices.

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The benefits of automation

The IMS solution has resulted in greater efficiency and control throughout the department and business alike:

- The AP team spend much less time coding invoices and chasing authorisers for approval.
- The business have much greater ownership of the process:
- They are able to code all the invoices easily, removing the responsibility from the AP team.
- It is much easier and quicker to authorise the invoices electronically.
- Business users now have full visibility with their own means to check the status or history of an invoice.
- The department is also able to be much more responsive to business change. Particularly in the case of new companies being added to their portfolio.

There has also been a reduction in AP headcount, as George Rogers explains:

“Previously we had 11 people in the accounts payable team, several of whom were temporary staff.

Over a period of time as a direct result of the Documation solution, we have been able to reduce this to 7 and therefore have been able to remove our reliance on temporary staff.”

Compliance

Being a US listed company, Sea containers have to comply with Sarbanes-Oxley (SOX) requirements.

The control brought in by the IMS solution has aided this process as George Rogers explains:

“The Documation solution has ensured we have a structured and controlled workflow. Whereas previously, internal knowledge would have been the only response to SOX requirements, this solution now means that we can respond much more accurately and its very existence goes some way to complying.”



Future enhancements

As an extension to the current solution, Sea containers are also in the process of implementing a system to handle remittance processing. This will automatically distribute electronic remittances to vendors via email, which will be much more cost effective and secure than the current manual methods.