CASE STUDY

PSA BDP's supplier data management systems generate document efficiencies for major U.S. retailer

Adds value, results in green savings

Challenge Summary
A major U.S. retailer wanted to eliminate piles of import clearance and billing paper documents received daily from 1,600 suppliers throughout Asia. Visibility of those documents was also poor.

Services & Technologies Used

- Customized Document Management System
- Smart Vu
- Purchase Order Management
- Compliance Management

The Challenge
Early access to upstream data can be critical for procurement and inbound logistics managers in the purchase order management process. Lack of visibility - especially when it comes to non-conformance for the movement of material and product within global supply chains - can result in blown deadlines and lost revenue.

PSA BDP's own operations onsite at the client had been paperless for a while, thanks to scanned documents from origin to the client's headquarters. However, the retailer itself had not yet gone paperless, which meant PSA BDP staff onsite continued to print documents, which were emailed by PSA BDP staff in Hong Kong. (The team in Hong Kong coordinates the retailer's data from the company's nearly 1,600 suppliers throughout Asia.)

Each morning large batches of electronic documents from Hong Kong were printed in the client's offices, and were then passed through PSA BDP's auditing, entry and billing staff who are onsite at the client. The document folders were then passed along to the retailer's staff for processing. The challenge was further complicated because the document format for invoices and packing lists for each supplier was different.

The Solution
Andy Wahl, Director, Strategic Accounts for PSA BDP, knew something had to be done. Automation was the logical answer. "It was something we wanted to do for a while and began when the client received their paperless approval from US Customs. This enabled us to leverage our technology capabilities as well as our creativity, and working together with the client we developed a customized document management system," Wahl said.

Faster, greener
The new document management system went live. "We are now receiving documents at origin, where they are pre-audited and scanned from [PSA BDP] Hong Kong," Wahl said. "[They] index all documents - identifies them in the [PSA BDP] Document Management System (DMS) - after which they are transmitted to the client. The retailer then links the documents at PO/Container/Bill of Lading levels and makes them visible to their logistics and compliance staff."

> **"The system has eliminated the paper process. It has also created a workflow for all team members who need to access the documents and action the documents."**
>
> -Compliance Manager, Major US Retailer

PSA BDP combined technology and creativity to develop a customized document management system solution for the client. It included Smart Vu purchase order management system - the ultimate purchase order power tool. Scalable, flexible, configurable and secure, it converts suppliers' handling and performance data into business intelligence that increases a client's control and neutralizes risk.

"Smart Vu is a big help because each supplier has their own document format. With exports, every invoice and the packing list looks the same, but with imports there is so much variety," Wahl said. "Although the documents are still uploaded to [PSA BDP], they don't have to be printed. We break down the multi-page document packages into commercial invoices and packing list elements for the DMS, as well as the document audit process."

"It is another reason why we have to keep the process as streamlined as possible," pointed out Kevin Lenz, Manager of Strategic Accounts for PSA BDP. "We are now creating electronic docs, so we no longer have to print hundreds of pages," he said. "All the files are audited in DMS within 24-48 hours for us to begin our process. They also communicate to us any document issues they find."

Wahl also pointed out there are quite a few moving parts in the process that include the ability (on the client's system) to receive and route "complete" (passed audit) or "incomplete" (failed audit) documents internally based on flags PSA BDP sends them via the DMS system. Before, if there was a problem with an invoice, PSA BDP staff onsite at the client would walk it over to the retailer's compliance area to be corrected. Now that all the files are being stored in DMS and the client's document management system at the same time, all exceptions and issues can be handled between the two systems.

"We can flag any problems in DMS. [PSA BDP's] compliance team can view all the documents they need to address. For example, if there are problems with an invoice in a particular file, the file is automatically sent to the client's document management system to be adjusted. When they have fixed the problem, the new invoice comes back to us so that we can do our clearance," Lenz said. "There is no more writing up an invoice file and adding a comment to each document."

Satisfied client

The client is pleased. Their Compliance Manager mentioned to Lenz how the new functionality does wonders for audit purposes and how it automatically flags POs that have issues. "This way the client's team can resolve some issues prior to our entry writers knowing. So we would have a corrected invoice in the system at the time we process the entry, well before knowing there was ever an issue," Lenz said.

"The system has eliminated the paper process. Prior to the document management system we would filter all commercial invoices back and forth between several different people. The new system has eliminated that," the client's Compliance Manager said. "It has also created a workflow for all team members who need to access the documents and action the documents. It is also set up by the team member's function. Team members can login in the morning and see if they have specific documents to action that day. It streamlines the process
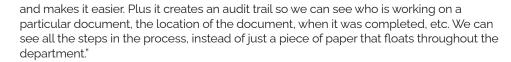
Customer Benefits

- Customized solutions
- Streamlined document auditing process
- Workflow efficiencies
- Paperless documentation (elimination of paper)
- Reduced costs

and makes it easier. Plus it creates an audit trail so we can see who is working on a particular document, the location of the document, when it was completed, etc. We can see all the steps in the process, instead of just a piece of paper that floats throughout the department."

The new system has also reduced costs for the retailer. "Definitely, in paper and ink. Previously we would have a copy for our files and [the team] would have a copy for their files. Two copies of every single document we received. All that has been eliminated; now it is electronic," the Compliance Manager added. It has made her job easier, she said. "It has freed up space - we don't have a huge file room any more. We are happy with it," she added.

Wahl is also pleased. He said Smart Vu, coupled with PSA BDP's paperless capabilities, helped manage the client's supplier data by turning that data into knowledge and providing more visibility and, therefore, greater control.

"All big pluses for the client," he said. "This illustrates the lengths to which [PSA BDP] will go to provide that 'value-add' to our clients our capability to span many parts of the organization to get things done, the utilization of our systems capabilities, and the talents of our people.

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-Andy Wahl,
Director, Strategic Accounts PSA BDP

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