



CASE STUDY:

Achieving million-euro savings
by outsourcing accounts
payable workloads to Ricoh

This leading supplier of chemical materials worked with Ricoh to standardise and automate accounts payable processes—unlocking €2.59 million in cost reductions.

COMPANY & CHALLENGE

This global supplier of chemical materials produces a wide range of premium polymers, sold to clients around the world, and is a pioneer of environmentally sustainable plastic production.

Servicing a global customer base and maintaining profitability is a hugely complex task for this supplier of chemicals materials. Distribution, sales and manufacturing operations are supported by local administrative service teams, which collectively report to the group headquarters.

For each business unit, accounts payable (AP) was handled at a regional level, with 21 locations following their own largely manual workflows. Even though 50 percent of the documents received by the AP teams were in a digital format, they had only managed to achieve a digital invoice processing rate of 45 percent. Every year, the AP teams processed up to one and a half million supplier invoices, verifying each one against a corresponding purchase order before approving for payment, and securely storing transaction copies in compliance with local regulations.



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Company Spokesperson



However, this painstaking, labour-intensive model led to high operational costs, and heightened the risk of human error during processing. A spokesperson explains: “Employees spent large periods of time opening and scanning invoices into our systems, and comparing documents to check information such as totals, tax, and purchase order numbers. It was easy for mistakes to slip through the net, leading to remedial work and possibly to audit headaches further down the line.”

The spokesperson continues: “It was costing us approximately €6 to process a single invoice; at a global scale, that approach simply wasn’t sustainable. To streamline our processes and reduce our spend, we looked to establish a single, standardised process for all global AP activities. Further, by establishing shared ways of working, we would be able to extract and consolidate data from all the regional units, enabling us to analyse and understand our global AP position to help improve our financial performance.”

SOLUTION

To drive efficiencies in its AP processes, the company engaged its long-term business partners Ricoh Europe Business Process Services and Ricoh Global Services. The project scope included the design and implementation of standardised end-to-end workflows to manage all global supplier invoices, covering mailroom, scanning, intelligent document processing services, and secure, compliant archiving.

The spokesperson comments: “We’ve worked with Ricoh in other areas for over seven years, seen how powerful Ricoh solutions are, and experienced the commitment of the Ricoh team. Selecting Ricoh as our partner for AP transformation was a clear choice, and we were impressed with the breadth of technologies—from optical character recognition (OCR) to e-invoice capabilities—and professional services they brought to the table.”

"Ricoh's truly global reach and extensive experience is a real advantage for us. Only Ricoh could offer us the combination of local knowledge, streamlined global processes, and best-in-class technology."



The new solution design hands all supplier invoice processing to Ricoh, which posts the key data directly to the company's ERP systems. Ricoh receives and sorts incoming paper documents, transfers them as PDFs to the Ricoh BPM Platform for optical character recognition and intelligent indexing, extracts key data to enable automated tax code generation and financial validation, and matches each supplier invoice with company purchase orders. Digital supplier invoices follow similar processes, and the cleaned, validated data is posted to the company's ERP systems.

When processing is complete, PDF copies are stored on a secure cloud platform. For regions where regulations insist on paper documents, Ricoh arranges secure archiving and retention in local storage facilities.

In cases where supplier invoices contain errors, such as incorrect totals or missing purchase order numbers, or if scanned data is unreadable, the solution includes exception-handling processes to route documents to specialist AP hubs operated as a service by Ricoh.

The spokesperson comments: "To reduce manual workload and cut error rates, we wanted to achieve significant automation of AP processing, including complex validations and tax code checks. When discrepancies are flagged, the

supplier invoice details are automatically shared with the relevant regional centre to be checked, and for any issues to be swiftly resolved."

The spokesperson continues: "Ricoh's truly global reach and extensive experience is a real advantage for us. Having two validation centres, one in Europe one in Asia, each specialising in the languages, cultures and customs of their geographies, gives us added confidence that errors will always be identified and reviewed by experts. Only Ricoh could offer us the combination of local knowledge, streamlined global processes, and best-in-class technology."

BENEFITS

With optimised AP processes, the company has achieved significant efficiency improvements. Simplified, consistent global standards have replaced the complexity of regional variations, and the company expects to see further operational and financial benefits.

The spokesperson says: "With Ricoh Global Services, some 80 percent of supplier invoice processing is automated, and we have cut the cost of processing a single invoice from €6 to €1, which is an 83 percent reduction. We anticipate that we will

save more than €96,000 a month, and achieve a total saving of €2.59 million over four years. Overall, we expect to see a full a return on investment within just five months of global roll out.”

Because Ricoh Global Services offer a pay-per-invoice arrangement, the company can flex costs as AP workloads fluctuate from month to month. The central, shared AP data store provides complete visibility into the company’s financial position, and managers can now track supplier relationships on a global basis—for example, to take advantage of early payment discounts, or negotiate reduced costs.

With automatic error detection for invoices, all issues are picked up straight away and sent onward to the regional centres for additional validation with a precise description of the problems found. Meanwhile, valid invoices are now automatically processed for payment and invalid invoices are quickly sent back to suppliers with requests for remediation. Similarly, with Ricoh enabling automatic tax code generation, the leading supplier of chemical materials has almost eliminated tax-code related issues while also improving the reliability of AP its processes.

The spokesperson concludes: “Because Ricoh is now running our AP activities, we can rest assured that our accounting processes will run smoothly around-the-clock. In fact, the efficiency improvements we’ve seen mean that we will be able to carry out AP activities for an upcoming acquisition without increasing our headcount. With expert AP support from Ricoh, we can focus on what we do best: creating innovative and environmentally responsible plastics, and driving profitability.”



ABOUT RICOH

Ricoh is empowering digital workplaces using innovative technologies and services, thus enabling individuals to work smarter. With cultivated knowledge and organisational capabilities nurtured over its 85 years' history, Ricoh is a leading provider of document management solutions, IT services, communications services, commercial and industrial printing, digital cameras, and industrial systems.

Headquartered in Tokyo, Ricoh Group has major operations throughout the world and its products and services now reach customers in approximately 200 countries and regions. In the financial year ended March 2021, Ricoh Group had worldwide sales of 1,682 billion yen (approx. 15.1 billion USD).

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