Chemist Warehouse selects Xcellerate IT to digitise their business processes

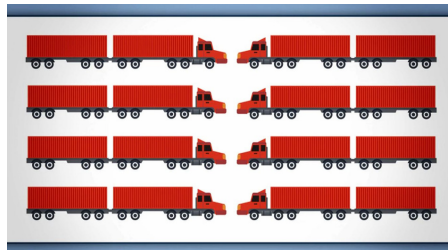## Success Story for Retail Pharmacy Organisation

Chemist Warehouse automated their business processes by partnering with Xcellerate IT to deploy Kofax TotalAgility. They have transformed their invoice processing whereby an invoice is now effectively processed every 3 seconds during business hours which equates to around 1000 invoices per hour.

Challenge

Being at the forefront of the pharmacy industry in Australia, Chemist Warehouse is growing quickly. With this growth, their back-end operations were becoming time consuming and prone to errors as all the invoices and documents in the business was handled and processed manually. Although they have the Microsoft Dynamics ERP system in place, the physical documents had to be stored for 7 years. Total storage space required to store these documents exceeded more than 250 pallets of paper.

"*We actually had a physical space problem within the corporate office, our compactors room had around 800 large boxes of current financial year invoices. The invoices then go into archive which in physical space it works out to about 8 B-double trucks full of paper*" says Ryan Calvert, Commercial Operations Manager at Chemist Warehouse. "*To follow the path of paper from supplier to stores to accounts and finally to archive is a lengthy process because we spread out across the country*".

"The Accounts Payable Department has around 25 employee's and were manually processing about 1000 invoices every business hour. Logistically our invoices were a cost, storing them was a cost, and processing manually was a cost.

In 2015 when we calculated the total cost to process a single invoice and store, it was a key deciding factor in purchasing TotalAgility. Everything else we have gained is a bonus to the business. One touch processing, analytics, improved supplier relationships, and so forth" says Ryan.

Chemist Warehouse Group

The Chemist Warehouse Group is the largest pharmacy retailer in Australia with over 400 retail stores nationally and now in New Zealand. The great savings on products are due to aggressive pricing and larger volumes of trade. Their objective is to enhance the customers healthcare outcome via the most effective and efficient means, resulting in great savings.

Products in Use:

Kofax TotalAgility

Focus:

Accounts Payable Automation

Year Solution Deployed:

2016

"Chemist Warehouse wanted to employ a robust platform that would not only capture and automate supplier invoices but also incorporate advanced business intelligence and analytics to quickly and accurately discover, visualise and address critical issues that provides the sight and metrics required to analyse the effectiveness of business processes" explains Ryan.

Solution

After a thorough evaluation of the potential vendor solutions available on the market, Chemist Warehouse selected Xcellerate IT's solution powered by Kofax TotalAgility to streamline their business process.

Ryan describes "*It was important to find software that meets the needs of the business today and can grow with us into the future. This was one of the main reasons we selected Kofax TotalAgility as we understood how it can be infiltrated into other departments, giving the business more value*".

"*One of the stand out advantages of Kofax, was that it works inside an Internet browse*r" remarks Ryan. The retail stores access the solution through certificate Login. The integration with Chemist Warehouse's Microsoft Dynamics AX Enterprise Resource Planning (ERP) system helps users to lookup information while processing the invoices, export the processed invoices and access the digital copy of an invoice when required.

As a result of Xcellerate IT's agile scoping and development approach, a tailor made Accounts Payable solution was designed to meet Chemist Warehouse's business requirements, improving their productivity and efficiency.

In the tailored approach, an invoice is sent for approval directly to the respective retail store who places the order, right after extraction and before validation. The only check a user would have to do before work-flowing to the store is to check if the store and supplier has been identified confidently. Once the retail store approves or rejects the invoice, the invoice is sent to the Accounts team for further validation. This ensures a smooth work-flow process between the stores and Accounts team.

Additionally, the Xcellerate IT's Kofax TotalAgility solution is integrated with Chemist Warehouse's Retail Point of Sale (POS) application to automate the approval process. Ryan explains "*We integrated Kofax with our Retail POS application. This cross checks invoices in the POS system to invoices received from suppliers in Kofax. It then automatically approved payments based on the invoices entered by the stores including unique staff card integration*".

Benefit

Chemist Warehouse went live with Xcellerate IT's solution for Accounts Payable Automation in July 2016, and have since recorded a significant improvement in their Accounts Payable processes. **Ryan says "W*e are processing an invoice effectively end to end every 3 seconds during business hours so around 1000 invoices an hour*"**, which equates to about 2 million invoices a year going through the system.

Not only was the solution saving time for over 500 employees nationally on a daily basis but also 70% of the invoices are processed without manual intervention, one touch processed. This resulted in on-time invoice payments, helping Chemist Warehouse enhance relationships with their suppliers while also having the added advantage of solving their space problems.

Xcellerate IT

With over 21 years of knowledge and experience in Business Process Automation, Xcellerate IT is a leading Australian provider of powerful digital transformation software solutions. We provide innovative solutions to transform and automate information intensive business workflow and robotic processes, across both back and front office operations.
We are proud to have completed projects for over 100 Australian customers. Xcellerate IT's solutions have powered corporations across various industries including manufacturing, finance, local and state government, education, healthcare and a wide range of companies.

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