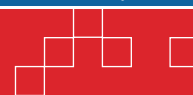




Worcestershire County Council

Esker DeliveryWare cuts Council's SAP-based purchase order costs



When Worcestershire County Council sought an integrated purchase order delivery solution for its SAP R/3 system, it chose Esker DeliveryWare — and achieved ROI in a year.

Efficiency Gains

In the current political and economic climate, Worcestershire County Council faces the same challenges as all UK local authorities — that is, to achieve gains in efficiencies through better use of resources. That includes doing more with the same amount of money, harnessing new technology to improve productivity and saving money through better purchasing arrangements.

With an SAP R/3 Enterprise Resource Planning (ERP) system in place, the Council's finance team has an objective to achieve efficiency improvements by automating processes such as procurement and developing opportunities for sending purchase orders electronically from its SAP system.

Moving to Automated PO Processes

Dave Bessant, the Council's SAP Project Manager, explained: *"We use an external ASP (Application Services Provider) to manage our SAP environment, which incorporates the full range of financial applications, including procurement. We wanted to explore the opportunities for cost reduction and improved efficiency by moving from manual to electronic purchase orders for high volume, low value items generated from our SAP system."*

The Council chose as its 'pilot' scheme the ordering of stationery from its key supplier, West Mercia Supplies. *"We generate around 30,000 stationery orders per year, of which 17,000 are generated through SAP, with the remainder made by individual departments. The process involved creating an order, printing it and then sending it to the supplier, who then keyed in the order data manually onto their system. We wanted to implement a solution that would enable us to send orders electronically, thereby saving paper, print and mail costs and reducing the time and cost involved in manual data entry,"* said Bessant.

Esker DeliveryWare is the Solution of Choice

The solution had to be SAP-approved and also integrate with the ASP's systems and, after reviewing what was available, the Council selected Esker DeliveryWare. Esker DeliveryWare is a solution that reduces the use of paper within business

processes, automating the exchange of critical business documents between customers, business partners, and suppliers — regardless of source, format, or destination.

It extends SAP systems' capabilities by:

- **Automatically transforming documents** from SAP systems and delivering professional business correspondence immediately in any electronic format, with receipt notification returned to the SAP system
- **Delivering documents** through traditional mail, email, fax, Mail on Demand, XML, SMS, and more.

Scaleable Solution

The ordering cycle for stationery is fairly stable although, according to Bessant *"we get more orders during term times, so we needed a solution that could handle peak periods."* He added: *"We're also moving more schools over to SAP, so having a scaleable solution was very important."*

The Esker solution appeared to be just what we wanted and we were able to integrate it straight away. In particular, it has all the right SAP credentials and could deliver PO data in the XML format we required. By sending orders electronically using Esker DeliveryWare we get a confirmation email back electronically so that the order clerk knows the order has been received.

Dave Bessant ▪ SAP Project Manager ▪
Worcestershire County Council

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Dave Bessant ■ SAP Project Manager ■ Worcestershire County Council

Payback in a Year

The business case for selecting and deploying the Esker solution was very sound, according to Bessant. *"Esker's solution enabled us to implement best practice for purchase ordering, and from an efficiency stand-point we've been able to double the number of orders we are able to process out of SAP. We estimate that each stationery order cost £1 previously, so implementing the new solution saved us around £18K per annum, with payback on our investment within a year."*

The success of the stationery order 'pilot' has led the Council to look at other areas where increased purchasing efficiency and reduced costs can be achieved. *"Two key areas are*

the purchasing of O2 XDA phones, which are used by social services and other departments, and the hiring of temporary staff, which is done on a weekly basis. We're also looking at how Esker DeliveryWare might be used to automate our invoicing processes."

About Worcestershire County Council

Worcestershire County Council is home to over half a million people. It is a diverse UK county with a mix of rural and urban areas, with the majority of the population living in the towns of Worcester, Bromsgrove, Droitwich, Evesham, Kidderminster, Malvern and Redditch.



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