

Smithfield Foods Ltd.

Case Study



Push Not Pull – Thanks to Digital Processes

Strong growth can push established processes to their limits. Instead of padding their existing systems, Smithfield decided to look for ways to overhaul their overall efficiency. Today, thanks to automated document management, Smithfield Foods are making the most of their existing resources. Their employees no longer waste time looking for important information – instead, information at Smithfield comes to them. By looking for ways to “push instead of pull” their workflows, the company is now ideally positioned to meet growth targets.

Smithfield Foods Ltd. is part of Smithfield Foods Inc., the largest pork processor in the world. With a group turnover of \$15 billion, the Smithfield Foods group provides market-leading brands and private-label solutions in numerous countries across the globe.

Smithfield Foods Ltd.

Industry:
Manufacturing

Location:
Norwich, United Kingdom

Department:
Accounting

Application Areas:
Accounting, Controlling

Requirements and General Environment

Smithfield's accounting department receives more than 12,000 incoming A/P invoices annually. Before introducing a DMS, invoices were processed manually and on paper. After invoices were received, employees would compare them with open orders managed within their ERP system. If the amounts matched, invoice were marked for payment. Invoices that didn't match a purchase order were placed in separate folders and manually routed to the responsible department. Since payments are only disbursed every 14 days at Smithfield, even the invoices authorized for payment were set aside in special folders. Once paid, the invoices would be stored in hanging folders in a different spot in their headquarters and then ultimately stored in an external archive for up to seven years to meet long-term retention schedules.

It wasn't only a matter of space that made this approach untenable over time: "Our manual system meant that various employees needed to have access to every invoice at different times. Ultimately, documents were retrieved and re-filed four times on average," recalls Ralph Farrow, IT Manager at Smithfield Foods. "The entire process was enormously time-consuming and problematic. For example, some documents were simply lost along the way or couldn't be tracked." Once the company's management team announced new expansion plans, it was clear to Ralph Farrow that something needed to change – their existing processes had reached their limit. There was no way that their existing personnel would be able to handle this growing flood of documents.

Ralph Farrow began looking at different alternatives to manual document processing. He began looking at various document management solutions, compiling a list of requirements regarding storage, search and workflow features. Together with their local Partner, DocuWare rose above the competition. "The combination of having both a locally operating DocuWare Partner and a globally successful company, which is also there to provide us support when needed, appealed to me from the very beginning. In this way, we weren't dependent on a single company," explains the IT Manager. After analyzing their existing business processes, the DMS solution was installed and completely operational within four weeks.

The Solution

Smithfield's accounting department is now completely digitalized. At the heart of all their workflows is an electronic document pool. Incoming invoices now take various routes into their digital archive. Invoices sent by email, which were once printed out, are now directly sent right out of Outlook and stored in DocuWare. Even paper invoices are stored automatically in the DMS after being scanned.

In a second step, DocuWare independently captures the most important index terms right from a document, such as a vendor's name, invoice date, invoice number and the amount. The completely indexed document is then automatically stored in the central document pool. This means that documents are immediately archived upon receipt. Authorized users can view them straight away, without having to wait for invoices to travel through the invoice authorization process. Documents can be accessed via search in DocuWare or by clicking a special button now embedded in their ERP system – so users never have to leave their familiar environment.

The Tasks

- Central Document Pool
- Automatic Document Storage
- Automatized Invoice Workflow
- Multi-Step Authorization Processes
- Escalation Management



Modules in use

- Autoindex
- DocuWare Import
- Intelligent Indexing
- Smart Connect
- Workflow Manager

For their authorization workflow, the system compares the invoice information with the open purchase order information found in ERP. If the data matches, the invoice is immediately forwarded for payment. Otherwise, a new process is triggered: the system first locates which department is responsible for the invoice, then the appropriate staff member receives an email that contains a link to the archived document. In this manner, everyone can quickly access an invoice and review it before approving it. To meet their internal guidelines, the system also knows which invoice amounts can only be approved by very specific individuals. If an invoice exceeds a set limit, the document will go to another colleague to be further authorized.



Authorized invoices are still only paid in 14 day intervals, but there is no need for employees to retain them in special folders. The documents are automatically gathered in a digital folder on the expected payment date, where employees can access them with a click of a button. Again, the DMS automatically reminds employees about the payment deadline with an automatically generated email.

The Benefits

Smithfield's paper archive has virtually disappeared, since paper invoices are destroyed after being digitally captured. Yet the £ 3,000 which the company now annually saves from shrinking its external archive is only one small advantage. Their move to completely digitalised processes has had a much broader impact and a significant boost in the company's overall organizational efficiency. Thanks to DocuWare, employees can now quickly and easily access digital documents without having to re-file them. The company now saves one thing, above all; time.

The Benefits

- Elimination of External Long-Term Archive
- Huge Time Savings
- Slimmer and Faster Processes
- Significantly Improved Use of Resources

In the past, staff members had to be involved in certain processes – for example, to remind their colleagues to finish certain tasks or to search for different information. Today, DocuWare takes over this work for them with the help of integrated escalation management and the ability to authorize invoices on the go with a smartphone or tablet. Ralph Farrow summarizes it like this: "It's push instead of pull: we don't have to search around for information. Instead, the DMS sends us our tasks and reminds us when they aren't complete. Processes now flow much more smoothly and therefore much more quickly. And the best part: we didn't have to make any changes to our actual procedures."



Based on a study conducted by the company, they were able to monitor some first results. "Of the approx. 100 hours that the company previously spent on searching and storing, the company is now able to save 85 percent of this time thanks to its new digital processes; this has left a significant impact on the team. Everyone can now concentrate on their core tasks. Implementing DocuWare has been an essential cornerstone for reaching our company's growth targets," Ralph Farrow proudly summarizes.

Summary

“Thanks to our DMS, we are saving a lot of the time normally spent on searching and storing documents. This has meant recapturing a good 85 hours monthly for our organization, which basically means the work of one part-time employee. This means that we were able to reach our aggressive growth goals with our existing resources.”

Ralph Farrow, IT Manager, Smithfield Foods Ltd.



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