



Tradeledger has enabled us to make substantial savings in our accounts payable function, the cost of invoicing has reduced by 90% per invoice.

**Simon Brandon,**  
Retail Accounting and Controls Manager

- Substantial savings in account payable
- Dispute and resolution time reduced
- Real-time on-line statements

## Itim saves Whitbread 90% of cost per invoice

### Background

Whitbread is the UK's leading hospitality company, serving more than 10 million customers each month through its 1,500 outlets. Whitbread Food Logistics provide food procurement services to the key retail divisions at Whitbread including Brewer's Fayre, Beefeater, Costa and TGI Fridays. Whitbread's annual spend of £170 Million on food items, is managed from 180 suppliers who provide over 2,000 product lines on both a "just in time" and stock-managed basis.

### The problem

The Accounts Payable team had to manually deal with over 50,000 invoices per annum. A full time team of 8 was required to match invoices, chase any mis-matches and reconcile supplier statements.

Keen to improve efficiency, Whitbread commissioned a detailed analysis. This analysis revealed that whilst this process was being efficiently executed, there was a substantial invoice match failure rate of approximately 35%. This figure could not be ignored.

As a result, Whitbread's key objective became the need to reduce the number of supplier disputes, and quickly. It was clear, however, that significant savings would not be made unless the process was automated.

### Why Whitbread chose Itim

Itim's Tradeledger solution provided Whitbread with a fast, reliable and cost effective opportunity to transform their food procurement process into a collaborative 'central billing' approach using the web.

"Itim were offering us a new way of looking at our traditional administrative processes, particularly around accounts payable. By use of the Web, and using Tradeledger to dramatically reduce the opportunity for mismatches, as well as speedier disputes resolution when they do occur, significant savings in our headcount could be achieved" says Bob Landau, the Finance Services Director at Whitbread.

### The solution

Itim provides innovative applications to help transform retail supply chains.

Tradeledger, part of the Itim portfolio, is a unique collaborative purchase to pay service. Tradeledger complements all major ERP solutions and can be adopted by any supplier regardless of their size or technical capability. Supporting any file format, including existing EDI links for data exchange, Tradeledger may be implemented rapidly and is a scalable, secure, managed service with a unique combination of infrastructure, function, and support.

### Implementation

Following a successful pilot, Itim managed the process of contacting all Whitbread suppliers, explaining the process and registering them onto Tradeledger. This enabled key users at both the supplier and Whitbread ends to see only one copy of the data over the Internet; and only data that is relevant to them. Once these trading links were established, Whitbread could then send an order to a supplier from their Oracle ERP system and a copy would then automatically be placed on Tradeledger. Where required, Tradeledger can deliver an electronic copy of the purchase order to the supplier in their preferred format and structure. This immediately removes re-keying and associated errors.

On receipt of the goods ordered, Whitbread's systems produce a Goods Received Note (GRN) that is also passed directly into Tradeledger. The supplier is also required to enter the delivery note either electronically or via a web form. The system can then compare the two for discrepancies.

Because this matching is automated, suppliers can immediately see any discrepancies and they can then decide whether to challenge the GRN. Where a discrepancy is highlighted, the dispute process is managed through Tradeledger and the time between dispute and resolution is significantly reduced.



An invoice is then generated from the Goods Received Note, with reference to the Whitbread master price file held on Tradeledger. The invoices are transferred to Whitbread for payment, in accordance with each supplier's payment terms.

The process is similar to self billing, but with additional benefits. It eradicates invoice matching as an activity and uses approved documentation from both parties to ensure that the correct payment is approved. A failsafe mechanism is in place to ensure that any issues are immediately visible and associated debit or credit adjustment notes can be easily raised. In addition, all key information, including pricing & discounting, is available to both parties on a real time basis.

### The benefits to Whitbread

Prior to implementation The Whitbread project team identified a target saving of 70% of total Accounts Payable headcount cost within the food logistics area.

Since implementing Tradeledger, this target has been exceeded and, in the following 6 months, the project team realised a 90% saving.

The key reasons for this are:

- 100,000 fewer items of post to open
- No invoices to key in
- No invoice matching
- Fewer volume & price issues to resolve
- Reduced filing (invoices/ credit notes/proof of deliveries etc)

- Real time on-line statement of account means statement reconciliation disappears (25% of total AP time)

Furthermore, because Whitbread experience less invoice discrepancies, the cost of Credit Control has reduced.

Simon Brandon, Retail Accounting and Controls Manager at Whitbread sees it like this: "Tradeledger has enabled us to make substantial savings in our accounts payable function, the cost of invoicing has reduced by 90% per invoice and the service is now a mission critical part of the Whitbread Food Logistics finance process. The Tradeledger team at Iitim provides both Whitbread and our suppliers with an excellent service and the team is always responsive to our needs."

### The benefits for suppliers

The Tradeledger process has also been very well received by suppliers who are paid promptly and in full for all goods received by Whitbread, even when there has been a dispute over part of an invoice. Previously the whole invoice would be held back from payment.

Simon Brandon again supports this "In a recent survey amongst our suppliers, the typically held view was that the Tradeledger service is very easy to adopt and has delivered significant improvements and cost savings in the administration of their trading relationship with us."

Additional benefits include a variety of standard and bespoke reports, which assist in the Whitbread supplier relationship. These enable full visibility and effective management of the whole procurement process, from suppliers tracking their invoices passed for payment, through to Whitbread analysing overall supplier performance.

The Tradeledger team at Iitim provides both Whitbread and our suppliers with an excellent service and the team is always responsive to our needs.

Simon Brandon, Retail Accounting and Controls Manager

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