

# Farmlands harvests improved efficiency with Ricoh Consulting

Agricultural supply leader reduces invoice backlog and improves its business processes thanks to automated accounts payable procedures...

**F**armlands is one of New Zealand's foremost agricultural supply companies. With 45 stores in the North Island and an annual turnover in excess of \$770 million, the system Farmlands employs to manage invoices is critical to its overall performance. On average, Farmlands processes some 20,000 invoices per month.

In an effort to improve efficiency and streamline its business processes, two years ago Farmlands centralised its invoicing procedures so that invoices are now submitted from each branch to the central office for payment.

After a successful switch to centralised payments, the team at Farmlands sought to further enhance efficiency by reducing the number of 'exception' invoices, those invoices that needed additional information before they could be paid. And to do that, Farmlands has deployed an automated document management solution provided by Ricoh Consulting based on Laserfiche Enterprise Content Management.

## Exceptions to the rule

"When we centralised the invoicing procedures we had a much better overview of the invoice flows from the branches to head office. But as we started to track the actual numbers, we quickly realised that 'exception' invoices were taking too long to process and were interrupting the workflow," explains Farmlands business analyst Grant Smith.

"On top of that, we didn't yet have a process in place to track the number of exceptions, identify the exact reasons the invoices were exceptions and how long it was taking to correct the invoices so we could approve them for payment," he says.

At first the teams would make a copy of the invoice, attach an 'exception' note and post it back

to the branch, but this was much too slow. Next they tried scanning the invoice and emailing it to the branch along with the exception notice, but there was no way to track the process.

"We mentioned our situation to our ICT partner, Duncan Wallace of Hawkes Bay Document Technologies, and he recommended that we talk to the people at Ricoh Consulting as they had been doing some excellent work with Laserfiche, an Enterprise Content Management and automated workflow solution," explains Smith.

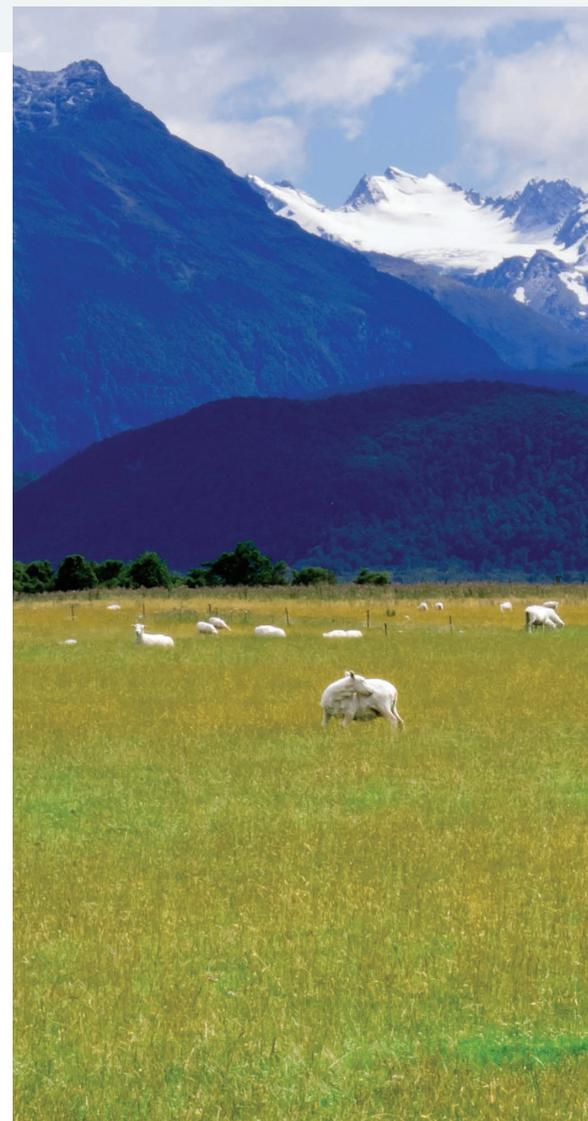
## Well-defined business processes

Farmlands, it turned out, was the ideal organisation for Laserfiche according to David Dewse, a software solution specialist at Ricoh Consulting. They had a massive document workflow, they needed to implement more stringent controls over the exception invoice process and, ultimately, they wanted to reduce the number of exception invoices.

"We sat down with the Farmlands team, and drew up a solution that incorporated existing hardware with direct integration into Laserfiche. Because Farmlands had spent so much time specifying the workflow and the business processes [when it centralised the invoicing procedures], it was a fairly straightforward exercise to map the current procedures to an automated process."

"We started with a smaller proof-of-concept exercise, so that we could adjust the process if required," says Smith. This entailed installing and configuring the server-based software at head office and loading the client software at selected stores.

"David and the Ricoh Consulting team showed us how to set it all up...via drop-down menus,



prompts, alerts and report generation...and we set the wheels in motion. It took a couple of weeks to initially establish the business rules, but once we had it to our liking the exercise progressed as smoothly as can be expected."

## Solid improvements

Once the concept was proved, Farmlands rolled the system out to all branches. That was two years ago.

Smith says, "Since we have been using the Laserfiche solution we have been able to reduce the number of exception invoices by almost five percent. In addition, we have an exact count of the number of exception invoices and the total amount of accounts payable involved. And we have speeded up the entire process of rectifying the exception invoices. Another benefit is that we



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**Grant Smith**, business analyst, Farmlands

have been able to identify areas where we could improve invoice preparation procedures at certain branches which has further reduced our exception invoice backlog.”

The cost savings have been impressive. Not only has Farmlands reduced the number of exception invoices it has to process, but it has also automated the workflow to reduce the time required to correct and resubmit the invoices.

“While the cost/benefit ratio has been impressive, the real value of the system is that we now have much more control over the process,” notes Smith. “We are constantly looking to improve efficiency and streamline procedures. The Laserfiche solution has given us better insight into our overall performance and has provided a mechanism for tighter management for accounts payable.”

**Satisfied customer**

Farmlands is also very pleased with the service it has received from both Ricoh Consulting and Hawkes Bay Document Technologies. “What could have been a long, drawn-out process went very smoothly,” concludes Smith. “Duncan knew our organisation and was able to help us translate our requirements into a strategic implementation plan. And David and the Ricoh Consulting team were able to map our processes into a specification. As a result, two years on we are more than happy with the results. Given the scope of the project and the improvements we have seen, we would have no hesitation what-so-ever recommending Ricoh Consulting and Laserfiche to other organisations that want to improve their document workflow.” 

**CASE STUDY//**

**Farmlands**

**AT A GLANCE//**

**INDUSTRY**

- Agricultural supply

**BUSINESS OBJECTIVE**

- Reduce the number of ‘exception’ invoices.
- Improve visibility into invoice workflows.
- Streamline processing of ‘exception’ invoices.

**SOLUTION**

- Laserfiche enterprise content management implemented by Ricoh Consulting.

**BUSINESS BENEFITS**

- Reduced the number of invoice exceptions by five percent.
- Advanced reporting capabilities now provide real-time insights into accounts payable.
- Improved oversight has led to better invoice generation procedures and even fewer ‘exception’ invoices.

**FOR MORE INFO//**

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