



Industry
Education

Process
Finance and Accounting

Driving Enhanced Value from Newcastle University's Investment in SAP-based Technologies and Reducing its Cost of Source-to-Pay Functions

The Client

Newcastle University is a public research university in England. A member of the Russell Group, Newcastle has one of the largest EU research portfolios in the UK. From its origins as a School of Medicine and Surgery in 1834, Newcastle is today a world-class university that offers first-class education in multiple streams to students in the UK. Newcastle has also spread its wings to Thailand and Singapore and is furthering education globally.

Newcastle University's Challenge

Newcastle's S2P processes (purchasing and invoice processing) were highly decentralized, suffering from considerable process and information variations across the organization. The lack of a core procurement process and centralized negotiations prevented economies of scale and centralization as various parts of the university engaged with different suppliers, with different pricing structures and different terms and conditions.

S2P processes were unjustifiably expensive and lacked the ability to repeatedly monitor the results such as the quality of supply (quality of goods and the timeliness and accuracy of deliveries). The lacuna in the process was such that even single suppliers were not being treated uniformly across the university and invoicing processes were dispersed.

The university needed a solution that could leverage SAP and SAP-based technologies to reduce the cost of S2P and at the same time help with:

- Centralizing functions to allow coordinated requisitioning, purchasing and invoicing, across the university, offering economies of scale and centralization
- Improving the ease of procurement for end-users, to make process adoption easy and fast
- Reducing ordering times and ensuring faster payments, thereby improving supplier relationships
- Providing cross-university information exchange to support negotiations with desired suppliers
- Improving the value for internal stakeholders who experienced faster and more precise order turnaround, with higher quality products and a similar or lower budget impact
- Assured benefits to compliant suppliers by providing a centralized point-of-contact and therefore, a stronger relationship between suppliers and the university.

The WNS Solution

A detailed diagnostic of Newcastle's S2P process led to WNS and Newcastle University devising a cornerstone S2P solution. The solution incorporated high-performing strategic procurement and invoice management components to leverage SAP, SAP-based and third party technologies to achieve the goals that the client had set for its S2P function, as shown below:

- SAP Supplier Relationship Management using product catalogues to make standardized purchasing user-focused and easier than non-standardized purchasing. The product catalogues contain pre-negotiated terms of supply, for goods that meet university requirements.
- Scanning and OCR from a third-party to save costs associated with paper invoices – data entry, filing, storage and archiving

- WNS BizAps Accounts Payable Workbench for automated 'lights out' invoice matching, validation, posting and exception management
- BizAps P-Card as an ERP-based Purchase Card reconciliation solution the BizAps Vendor Portal for supplier queries and statements

With the implementation of the above-mentioned components, WNS was able to maximize benefits for Newcastle.

Benefits Delivered

The tangible and intangible benefits delivered to Newcastle, after the implementation of the solution include:

- Procurement savings in excess of £1.2 million in year one inclusive of purchasing card reconciliation savings of £260,000
- Expected future savings per year predicted to be £2.4 million per annum (based on benchmark estimates against organisations of similar size) (£30 million addressable spend)
- Purchase order compliance now at 93 percent
- Contract compliance improved by 34 percent, level is now at 72 percent
- Text orders reduced by 30 percent
- Faster ordering times
- Increased speed of payment to suppliers, supporting improved strategic relationships
- Wider net of suppliers willing to bid for business from Newcastle and drop prices
- Consistency of suppliers and supplier pricing making way for opportunities of collaborative procurement

WNS in Finance and Accounting

WNS, a leading global business process management (BPM) company is a top-tier offshore F&A provider. WNS has evolved as a leading FAO provider with capabilities of supporting the entire value chain of functions within the CFO's office including Transaction Accounting (Order-to-Cash & Procure-to-Pay); Corporate Accounting (Record-to-Report, Financial Planning & Analysis, Treasury and Taxes); Risk & Investor Relations (Risk Management, Investor Management, Corporate Announcements, External Reporting); and Strategic Initiatives (Strategy, Merger & Acquisition).

Key highlights of how WNS creates value for its clients in F&A:

- Managing over 62 million transactions with an annual value of in excess of USD 70 billion
- Delivering over 40 percent annual savings; further enhancing through continuous process improvements and service levels
- Supporting transactions in 25+ major global currencies and multiple ERP applications:
 - Implementation of a wide array of Process Enhancement Technologies & Services (PETS*) for delivering significant process improvements including AP Workbench, P-cards Engine, Vendor Master Workbench, Vendor Portal, Self-service Invoicing, Dynamic Discounting, Fraud Detection, Customer Portal, Sales Order Workbench, Collections Workbench and Intelligence Reporting, Account Reconciliation (AssureNET, ReconNET), Close Monitoring and Tracking Portal (Unity Close, Microsoft SharePoint) and so on
 - Extensive experience in collaborating with client ERP and retained systems environments
- Highly qualified team (CA/CIMA/CPAs) with an excellent performance track record
- Global Partnership with CIMA

* According to Gartner, "Process Enhancement Technologies & Services (PETS) represent both applications (such as Accounts Payable automation) and services (such as an e-invoicing network or a scanning specialist) that are necessary to overcome shortcomings in existing Finance & Accounting (F&A) solutions."

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