

Gregory Poole Equipment Company

Gregory Poole Equipment Company is a longstanding Caterpillar dealer, with nearly 60 years of experience selling and servicing Caterpillar equipment. The company began with a single location in Raleigh, North Carolina in 1951 and now has 19 facilities staffed by 850 employees throughout the eastern areas of North Carolina, South Carolina and Virginia.



With a substantial network of branches and an employee population spread across three states, Gregory Poole sought to improve its internal controls and expense management functions. The company identified approximately \$1 million in potential annual savings on a spend total of \$28 million that could be attained by automating purchase-to-pay controls, consolidating purchases and integrating purchasing with other operational systems.

The company selected UNIT4 CODA's Spend Management application to automate the complete "req to check" process, instill controls and provide spend visibility across the organization. A significant consideration was the tight integration with the company's existing CODA Financials system and the ability to integrate with the company's work order system. The CODA Spend Management application extends the CODA Financials application functionality and leverages Gregory Poole's familiarity with CODA solutions. With these considerable and ambitious goals in mind, the company chose to break the project down into phases. "We are approaching the project in three stages: Control, Consolidation and Active Negotiation," said Roshni Kotecha, Purchasing/ Equipment Logistics Manager for Gregory Poole.

Control

The first step was to automate the purchase-to-pay process (which includes requisitioning, purchasing, receiving and invoice matching) into a continual flow that provides electronic approvals, segregation of duties and the proper financial checks and balances. "Everyone has been assigned a limit on what they can spend or what they can create a PO for," said Kotecha. "Now every purchase goes through an approval process. This really puts a spotlight on what people are buying." This visibility now puts the company in a better position to curtail maverick spending.

As an integral part of the process, the system provides a capability to perform a three-way match, matching the items and prices on the PO, with an online goods receipt note and the vendor's invoice. "The system provides us with more control and security to ensure that what we ordered is what we received," said Kotecha. "CODA's three-way match also provides us comfort that we aren't paying for things that we didn't receive."

Gregory Poole also integrated the Documentum™ Imaging System with the CODA three-way matching process. An operator opens the mail, scans the images and loads them into an electronic workbasket. Different A/P users then work from the electronic stack in the workbasket and begin the matching process with the invoice image on the screen. The image is indexed to the invoice transaction entered by the A/P user, making it available when drilling down to the invoice level using CODA's Browse function.

In total, the new matching process allows the company to establish a clear segregation of duties and strong financial controls. It insures that payments aren't occurring without independent verification that items were received, returns are accounted for, and invoices are accurate to an item level.

Consolidation

"Consolidation is the low-hanging fruit of this project," said Kotecha. "We have 19 branches in 3 states and we are all buying the same things. This tool allows us confirm the best prices and best suppliers across the organization. We clearly have identified some vendors charging different amounts for the same item depending on what branch they were billing. We spotted that easily. Now we have the item detail to be sure we are getting the same item for like or lower cost. We previously didn't have the specifics of what we were buying at the item-detail level. Vendor and item consolidation has been our first tier success at this stage of the process."

The company is in the midst of establishing more robust internal catalogs so they can track item history more accurately across all the locations. The catalog also allows the company to track and consolidate purchasing activity with their best suppliers. This will reduce the number of suppliers the organization needs to manage and ensure they leverage their best supplier relationships.

Active Negotiation

The company is looking forward to the third stage of the project – active negotiation. Once the system can accumulate and provide adequate item history, the company will be armed with purchasing volume information that can be used to negotiate volume discounts. The negotiated prices can then be stored on item masters and made available to buyers throughout the organization. This will allow Gregory Poole to leverage the full buying power of the 850-person company.

Integration with DBS – Dealer Business System

A significant aspect of the implementation was the integration to the company's Dealer Business System. "Before we had this Spend Management system, we created a PO in a separate application which was really just an electronic tablet," said Kotecha. "Then the user would go into DBS and enter the expense and detail behind it on the work order. Sometimes people forget the second leg. The CODA system eliminates dual entry and guarantees that the second leg is complete. CODA automatically attaches the PO and the detail on the work order."

Conclusion and Recommendations

The company has completed the first phase of its implementation with approximately 25-30 buyers online and is already seeing considerable benefits including greater control, vendor consolidation, item consolidation and company-wide visibility. Most of the purchasing activity in the system thus far is for internal items. In the next phase, the company plans to add items for resale, parts and service. The company is looking forward to significant cost saving benefits when it can begin more active and informed negotiations with suppliers.



As with any implementation of this magnitude, there were bumps along the way but UNIT4 CODA and Gregory Poole worked closely together throughout the process to ensure that both had the support and responsiveness needed to overcome the issues. When asked what advice she would give others going through the process, Kotecha stated: "Change management is critical. Communicate what is coming and how it affects their (users) world. It is also important to put time into your item masters up front to provide your users good information. A robust item catalog ensures data consistency."

About UNIT4 CODA

UNIT4 CODA, Inc. is part of UNIT4, a \$517 million global business software company that creates, delivers and supports adaptable business software and services to help dynamic organizations manage their business needs effectively. The company has 3,450 employees with offices in 13 European countries, as well 6 countries across North America, Asia Pacific and Africa.

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