

CASE STUDY

Dixons Retail Group extends its e-invoicing strategy to include all of its UK suppliers



DIXONS RETAIL
BRINGING LIFE TO TECHNOLOGY

Dixons Retail PLC is one of Europe's leading specialist electrical retailing group. The company currently trades through 1,200 stores and online stores, spanning 28 countries and employing 40,000 people. More than 100 million customers shop in-store and online with Dixons Retail Group every year.

CHALLENGE

Dixons Retail Group is operating in a highly competitive market. As one of the first key players in a multi-channel sales environment, the company is well aware that consistency can be a challenge when dealing with customers who expect the same service and buying experience whether they are shopping online or in a store. The task of running traditional retail outlets alongside online stores brings additional challenges, which means that efficient systems and procedures are business-critical if Dixons Retail Group is to maintain its place as a market leader.

With this focus on efficiency, Dixons Retail Group is no stranger to electronic invoicing. In fact, by the time the company contacted Tungsten Network, then known as OB10, it was already processing 90% of its invoices through a mix of high-end Electronic Data Interchange (EDI) software and Contempus Invoice, a customised invoice processing application that allows Dixons Retail Group to match its merchandise with purchase orders, and to cross-reference highly detailed product information with price and other relevant internal data.

This solution worked well for Dixons Retail Group, but unfortunately not for all of its channel partners. Although most of the company's large suppliers were using a EDI solution that integrated well with Dixons Retail Group's invoicing system, there were thousands of companies who did not have an EDI solution in place, and continued to supply Dixons Retail Group with paper invoices. Of course, problems were inevitable – and commonplace.

"Invoices were being lost in the post, or sent to the wrong department, or else they were submitted with incorrect information and had to be returned, which led to additional delays," says Anthony Welfar, Head of Dixons Retail Group's UK Finance Transaction Centre.

"Our internal solutions were "work-around" at best, which meant that invoices were first counted manually, then batched and scanned before they could be sent to our Contempus, Invoice software for processing via Optical Character Recognition (OCR). And even after all that, around 35% of the data still needed to be keyed in manually before the invoice could be processed. It was simply not an efficient system at all." Although 2,000 of Dixons Retail Group's largest suppliers were using EDI, another 6,000 suppliers were not, leaving a large gap in Dixons Retail Group's e-Invoicing strategy and its focus on efficiency. To address this problem, Dixons Retail Group was referred to Tungsten Network by Hewlett Packard, another Tungsten customer, as a way to simplify and streamline the invoice-to-pay process for companies who were not using EDI.

TUNGSTEN NETWORK

SOLUTION

Tungsten Network, built on OB10 e-invoicing, was seen as an easy, future-proof way to consolidate Dixons Retail Group's initiatives across a wide array of companies, initially in the UK, but eventually across Europe as well.

"We already understood the benefits of e-invoicing, so for us Tungsten Network was simply the icing on the cake," Welfar says. "We already had sophisticated e-invoicing solutions in place, but during our expansion over the past four or five years, we have brought a number of new companies into the Group that already had many suppliers of their own. Tungsten provided us with a solution that could be easily standardised across companies of many different sizes, and based in many different regions." In addition to its sophisticated software, Tungsten offered Dixons Retail Group another very large benefit: its ability to speak directly with suppliers.

Importantly, Tungsten Network works with any billing or accounting system, which means that Dixons Retail Group did not have to make changes to its accounts payable system, and the barrier for entry for its suppliers is low. Better still, neither buying organisations nor their suppliers are required to implement hardware or software. Tungsten Network is also compliant with the requirements of VAT and e-invoicing legislation in over 40 countries.

“Our entire invoicing process has certainly become much more efficient. We are now able to offer some suppliers seven day terms, and that would have been impossible before.”

**-Anthony Welfare,
Dixons Retail plc**

BENEFITS

By providing a way to reach out to a greater number of its suppliers, Tungsten Network has enabled Dixons Retail Group to take the extra step required to truly reap the full benefits of electronic invoicing. In fact, by bringing thousands of additional suppliers into Dixons Retail Group’s e-invoicing scheme, Tungsten Network has already replaced more than 100,000 paper documents.

At the same time, suppliers can be sure that their invoices are delivered accurately and are more likely to be paid on time, which means that Dixons Retail Group’s purchasing team can negotiate very strong deals that benefit both sides.

“With Tungsten Network, our entire invoicing process has

certainly become much more efficient,” Welfare says. “We are now able to offer some suppliers seven-day terms, and that would have been impossible before.”

Plus, Tungsten Network has drastically reduced the number of queries that come into the department, which will have a large impact on our productivity and ultimately our bottom line.”

FUTURE

While working with Tungsten to include more and more of its suppliers on the network, Dixons Retail Group is planning to consolidate its systems even further by bringing the rest of its European Operations in line with the UK.

“Within five years I expect that more of our European operations will use electronic invoicing. This

knowledge made Tungsten even more attractive to us, since we are confident that it will make that transition very easy for us,” concludes Welfare.

“We were already big proponents of electronic invoicing before working with Tungsten, but we needed an easy way of bringing e-invoicing to our suppliers who had not yet made the leap. With its expertise in supplier recruitment and a global e-invoicing network that is easy to use, Tungsten Network helped us achieve that goal.”