

WHY GXS

Leading companies like Rohm and Haas who want to improve their invoicing and accounts payable processes turn to GXS for collaboration and visibility solutions. The result? Order Lifecycle Visibility fully automated Rohm and Haas' manual post and reconciliation process and achieved a 95+ percent first-pass invoice post rate—a significant improvement over the previous <75 percent level. This was accomplished with Order Lifecycle Visibility's powerful capabilities for supplier self-service, invoice-specific data quality rules, and integration to Rohm and Haas' back-office SAP system.

The bottom line for Rohm and Haas is increased productivity, order to cash efficiencies, and strengthened supplier relationships.

As an integrated part of the GXS Trading GridSM, the Order Lifecycle Visibility solution provides an automated, consistent flow of timely, accurate and complete information on forecasts, orders, shipments, invoices and payments. GXS Trading Grid offers a pre-configured network of tens of thousands of trading partner connections and also offers a proven methodology for quickly and cost-effectively enabling trading partners and integrating to a company's internal enterprise applications.



Rohm and Haas

Rohm and Haas Achieves Supply Chain Gains by Automating End-to-End Supplier Invoice Process

At A Glance

Industry: Chemical

Revenues (2003): 6.4 billion USD

Supply Chain Challenges: Manual Invoice Process

Supply Chain Solution: GXS Order Lifecycle Visibility

Company Profile

Rohm and Haas Company (NYSE: ROH) is a 6.4 billion USD (2003) global specialty materials company based in Philadelphia, PA (USA). Rohm and Haas products are sold primarily for use in the construction and building, electronics, household products and personal care, packaging, food and retail, and automotive markets. The company operates six business segments: Coatings, Adhesives and Sealants, Electronic Materials, Performance Chemicals, Salt and Monomers. To serve these markets, Rohm and Haas operates over 100 manufacturing and 30 research facilities in 27 countries.

Challenge

The company has manufacturing facilities located around the globe and buyers who interact daily with thousands of suppliers. As a result, the company deals with a host of suppliers with differing levels of technical sophistication, ranging from those that send and receive purchase orders and invoices via fax, mail and phone to those with state-of-the-art B2B systems.

Rohm and Haas saw a significant opportunity to eliminate the unnecessarily high operational costs and supplier management challenges within manual invoice processing. The manual process involved Rohm and Haas' buyers and accounts payable personnel, and external suppliers—manually re-keying paper and fax invoices, and addressing document matching and data quality reconciliation issues. Additionally, productivity was lost answering supplier questions and concerns regarding invoice and payment status.

Solution

To address these challenges, Rohm and Haas turned to GXS Order Lifecycle Visibility solution to provide its trading partners with a Web-based, self-service portal for creating and managing electronic invoices. An integrated part of the GXS Trading GridSM, Order Lifecycle Visibility provides Rohm and Haas with:

- Online Invoice Creation
- Order to Invoice Matching
- Invoice and Payment Status



SNAPSHOT/CHALLENGE

- Manual Invoice Process—Fax, Phone, Mail, Re-Keying
- Lack of Visibility and Control over the Invoice Process
- Low Levels of Data Quality
- Diversity of Technical Capabilities across Supplier Base

SNAPSHOT/SOLUTION

- Implemented Order Lifecycle Visibility “Invoice” Module
- Automated Invoice Creation and Reconciliation Process
- Achieved 95+ percent Data Quality Using GXS Invoice-Specific Data Quality Rules
- Integration with Back-Office SAP System for Invoice Payment

SNAPSHOT/BENEFITS

- Improved Productivity
- Reduced Operating Costs
- Increased Visibility to Cash Cycle
- Extended Value of Existing Investments
- Improved Customer Service

- Invoice-Specific Data Validation Rules
- Standard Integration to Rohm and Haas back-office Enterprise System
- Centralized Data Repository for Rohm and Haas’ Supply-Chain Information

All these capabilities translated into a consistent process and view of the extended supply chain for Rohm and Haas and its worldwide suppliers—delivering on the promises of automation and productivity, payment efficiencies, and strengthened relationships with suppliers.

“The process for receiving and posting invoices and determining invoice accuracy presented a constant challenge for Rohm and Haas,” said Bruce Morris, manager of trading partner integration for Rohm and Haas. “The GXS Order Lifecycle Visibility solution allows Rohm and Haas to fully automate the process and improve the overall quality of supplier invoices. This allows both Rohm and Haas and its suppliers to focus on improving the delivery of chemical goods and services, rather than administrative tasks.”

Rohm and Haas uses the GXS solution for supplier submission of product as well as service invoices. A significant advantage of the system is the invoice-specific data quality and business process rules that prohibit the submission of inaccurate data such as “Remit To” address. These rules ensure the accuracy of data before invoices are processed by the back-office system. Now the company receives accurate invoices electronically, and its back-office system can seamlessly process them. This lowers Rohm and Haas cost of operation. Importantly, it strengthens the relationships with its suppliers because the payment cycle is shortened.

Going forward, Rohm and Haas plans to have 350 suppliers online by September 2005, and to extend usage of the system to include the forecast and order module and analysis tools.

Results/Benefits

GXS Order Lifecycle Visibility solution has enabled Rohm and Haas and its suppliers to quickly realize supply-chain performance gains through reduced operational costs and payment cycles. Achieving these supply chain gains has also resulted in stronger relationships with suppliers—translating to improved service levels. Specific benefits include:

Rohm and Haas

Improved Productivity: personnel previously assigned to the manual process are now able to focus on core business responsibilities such as order and inventory management

Reduced Operating Costs: with high-quality data, online invoice collaboration and visibility, Rohm and Haas eliminates the cost of manual invoice re-keying and status updates

Increased Value of Existing Investments: Order Lifecycle Visibility complements Rohm and Haas’ existing back-office systems with information from the extended supply chain

Suppliers

Improved Customer Service: standardizing on Rohm and Haas' Order Lifecycle Visibility system strengthens each supplier's working relationship with the company, and increases the potential for additional business

Reduced Operating Costs: with high-quality data, online invoice collaboration and visibility suppliers eliminate the costs of invoice discrepancies and re-keying

Increased Visibility to Cash Cycle: with online visibility to invoices and invoice status, suppliers can better plan for their expected payments and can quickly respond to issues that could slow down payment

About GXS

GXS is a leading provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration. Organizations worldwide, including 75 percent of the Fortune 500, leverage GXS' GS1 certified global interoperability and supply chain execution solutions. Active in the global standards arena, GXS offers solutions, powered by the Trading GridSM, that enable customers both large and small, to connect with global partners, synchronize product information and optimize the execution of supply chains.

Headquartered in Gaithersburg, MD., GXS provides sales and support to businesses and their partners worldwide. For more information about GXS visit www.gxs.com.

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