Office Efficiencies Can Sweeten Your Bottom Line

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The complex processes that characterize the food and beverage industry pose a variety of challenges, including low-profit margins, perishable products, stringent government regulations and changing consumer tastes.

Managing the dynamics of the business through all of these processes can become a juggling act if not done well. Food and beverage companies sell many goods to many customers many times per month across vast distribution networks with complex supply chains. High inventory turnover rates, huge transaction volumes and intricate order management processes require accurate real-time information to meet customer expectations and make informed business decisions. What’s more, the resulting unmitigated explosion of data can impede efficient trade and hinder success.

The winning recipe in the food and beverage industry requires dynamic, efficient systems that can manage high volumes of data, while responding swiftly to shifting consumer preferences and new regulations. Process lifecycle management for order to cash and procure to pay, as well as information lifecycle management — from data creation to retention to destruction — can play a major role in optimizing business performance.

Adaptable Processes: Making Operational Systems Healthier

Because food and beverage manufacturers, and distributors thrive on high volume and low-profit margins, they need to be as efficient as possible. Invoices need to be

paid fast, and companies want to take advantage of as many accelerated payment discounts as possible in order to increase margins and refine vendor relationships to boost the bottom line.

Procure to Pay: Accounts Payable

The accounts payable (AP) process is ripe for near-term dividends, including sustainable cost savings, cash flow management and risk mitigation. By optimizing this process — from the moment an invoice arrives through approval, posting and payment — finance teams can eliminate non-value-added activities, process invoices without any human intervention, and gain access to real-time information and robust analytics that enable better cash flow management.

The time savings from automating routine transactions allows your AP staff to focus on dealing with issues, exceptions and the highest business priorities. Additionally, this provides the visibility to make more informed decisions. Adding solutions that allow you to take discounts for early payment and vendor portals that enable self-service capabilities to eliminate time-consuming inquiry responses significantly decreases costs.

The most effective AP optimization solutions include:

1. Minimizing invoice impact by converting paper documents into digital files through e-invoicing, scanning and/or optical character recognition (OCR).
2. Automating and tracking the process, including leveraging web and mobile approval tools to streamline exception handling and workflow.

Order to Cash: Managing Orders & the Accounts Receivable Process

The order-to-cash process is at the heart of your business. And yet, it is often surprisingly inefficient and difficult to track. Even the smallest error can make the process ineffective, quickly consuming resources. Automating order-to-cash processes, linking documents and introducing automated workflow reduces operational costs by decreasing the number of touch points throughout the cycle, and speeds receipt and accurate application of customer payments.

The order-to-cash process touches key performance areas, including sales order management, order fulfillment, billing, credit management, cash collection and cash application. Managing the process more effectively ensures that users correctly deliver orders on time, collect payments quickly and identify any customer issues before they escalate into major problems. Moreover, it removes roadblocks to cash receipts and maximizes customer satisfaction. Addressing all aspects of the order-to-cash process is critical to maintain your relationship with customers.

Smart Information Management: Helping Food Makers Devour Big Data

Because the food and beverage industry generates huge volumes of data, as well as documents, companies in this industry can face debilitating performance slowdowns

if their system is overburdened. They need a sound strategy in place for managing data to stay competitive.

Storing every bit of data in a real-time productive system database is incredibly expensive, and does not necessarily ensure efficiency or protect the organization from risk. The ideal information lifecycle management strategy increases performance, improves control and lowers costs by aligning the type of storage with the value of the data to the business without sacrificing transparent access. Moving static data from a productive database into a secondary, lower-cost, high-performance, near-line storage environment helps strike a balance between performance and storage costs. Data required to keep long term can be archived until such time as it can be disposed, further decreasing costs, yet all the while quickly accessible if needed for audits, legal holds or fiduciary requirements.

Conclusion

Reinventing key processes, such as accounts payable and accounts receivable, presents a variety of opportunities for cost and risk reduction, and cash flow optimization. While AP and accounts receiveable are not strategic processes by themselves, when optimized, they can render your business more agile and efficient to support larger strategic initiatives, and actually add to the bottom line. Business performance is further optimized by adapting the system to its task and ensuring effective data management throughout its lifecycle.

What’s your take? Please feel free to comment below!

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