



Hampshire County Council

Esker DeliveryWare supports Council's SAP-based Purchase Order processes



When the Council responsible for the UK's third largest shire implemented an SAP R/3 system, it sought an integrated purchase order delivery solution that could be rolled out quickly across various departments — and chose Esker DeliveryWare.

Purchase orders

The authority has in excess of 100,000 suppliers. 60-70,000 of which are regarded as 'active' in any given year. Purchase orders therefore equated to hundreds of thousands of documents sent out by mail, which made them ideal candidates to be sent out electronically — initially by fax — to achieve efficiency and cost advantages.

"If we could agree with a percentage of our suppliers that they would receive purchase orders from us electronically, we could measure the benefits in terms of mailing costs and the time required to execute and manage those processes," said Vaughan.

A key requirement was, of course, that the selected fax solution had to integrate with SAP. *"In 2004 we started searching for suitable high-volume fax solutions and looked at three. Esker came up with the best solution, Esker DeliveryWare met our requirements, and seemed relatively straightforward to implement at reasonable cost."*

Need to find efficiency gains

Following the UK's national Gershon Review in late 2004 the Council was tasked with finding 2.5% efficiency gains over three years. To plan for this, a forward looking Annual Efficiency Statement (AES) was written which focused on exploiting the potential offered by a continuing phased implementation of an SAP R/3 Enterprise Resource Planning (ERP) system.

The Council's objective was to achieve the efficiency improvements in finance by automating processes and re-engineering procedures in line with the new SAP system, including procurement.

Peter Vaughan, Development and Support Team Leader at Hampshire County Council, explained: *"We began the implementation of SAP R/3 in 2001 when we put the General Ledger in, and since then we've continued to build on that platform by implementing other SAP modules, including procurement. Once embedded we then wanted to look at how we could improve the output of documents from SAP beyond just putting them in envelopes and mailing them out."*

Esker DeliveryWare

Esker DeliveryWare is a solution that reduces the use of paper within business processes, automating the exchange of critical business documents between customers, business partners, and suppliers — regardless of source, format, or destination.

It extends SAP systems' capabilities by:

- **Automatically transforming documents** from SAP systems and delivering professional business correspondence immediately in any electronic format, with receipt notification returned to the SAP system
- **Delivering documents** through traditional mail, email, fax, On Demand Services, XML, SMS, and more.

Pilot project

The decision was made to pilot Esker DeliveryWare with the County Supplies Department which represents the professional purchasing division of the Authority. *"County Supplies buys goods that it resells to other parts of the authority so it has a set of vendors that it has close relationships with. There's a lot of volume and the purchasing process is fairly regular, so it was ideal for the pilot,"* explained Vaughan.

Once installed and tested the Council could start building from that specific purchasing requirement across the whole spectrum of the authority.

"We didn't hang about on the implementation of Esker DeliveryWare, which was up and running within two months," said Vaughan. *"Once we were confident about the Esker solution in terms of the volume of output, licensing and support arrangements, we were happy to then start rolling it out across the rest of the organisation, which is what we did."*

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Peter Vaughan ▪ Development and support Team Leader
▪ Hampshire County Council

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Peter Vaughan ■ Development and support Team Leader ■ Hampshire County Council

Scalability was important, according to Vaughan. *“When you put a solution in you want to be sure that it can scale with the organisation. Esker DeliveryWare can deliver on that score, and of course the integration with SAP means that we can use the standard tools in SAP to monitor fax processes in the background. Esker DeliveryWare has proved to be very stable and any teething problems were addressed very quickly.”*

Converting suppliers

So far, the proportion of suppliers converted to receiving purchase orders via Esker DeliveryWare is around 10 per cent, but that represents around 8,000 POs a year. The Council is also looking at other delivery options, such as email and XML to further expand its electronic delivery options.

With POs as a starting point, the authority is also looking at how it can gain efficiencies from the electronic delivery of other documents, such as remittances and invoices.

Meanwhile, the business case for purchasing and implementing Esker DeliveryWare was based on achieving cost efficiencies. *“We estimate that we’re saving around €52K per year on mailing costs. We’re very happy with Esker DeliveryWare; it’s a well bedded in and highly reliable solution.”*

About Hampshire County Council

Hampshire County Council is a large, dynamic and successful authority, serving the third largest shire county in the UK with a population of 1.25 million residents and over 525,000 households.

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