

CASE STUDY



300% ROI in Year One by Automating Back-End Operations

The Home Depot was not taking full advantage of supplier discounts for prompt payment that offered potential to add millions of dollars per year to the company's bottom-line profits.

Leading retailer deploys innovative solutions to resolve vendor disputes and capitalize on supplier discounts

With \$78 billion in annual revenues The Home Depot is the world's largest home improvement specialty retailer with stores in all 50 states.

Although the company operated an efficient electronic process for invoicing, vendor dispute resolution was still based on a tedious, manual, and paper-intensive process. In fact, the company was swimming in paper, processing 5 million pieces of paper per year.

Solutions

Dispute Resolution

The Home Depot was dealing with thousands of supplier disputes every year. Many could be have easily been settled by quickly verifying a few pieces of information, but manual paper-based processes led to significant delays.



Solutions

Dispute Resolution, cont'd



Suppliers were frustrated by an exceedingly slow and complex process for resolving disputes.

With Direct Commerce's Dispute Resolution Portal, however, disputes are processed electronically, speeding up communications between the company and its suppliers. Now suppliers can:

- secure and intuitive web-hosted portal to answer dispute-related questions and communicate with The Home Depot electronically
- Gain 24/7 visibility into the status of disputes and steps needed to resolve them
- Quickly resolve disputes without resorting to long phone calls or costly faxes
- Send appropriate

Resolving disputes more efficiently greatly improved supplier relationships. In fact, when The Home Depot announced this new portal at a supplier meeting, there was a round of applause.

As Debbie Rich-Walker, Senior Manager, Finance Operations of The Home Depot explained, "Direct Commerce eliminated the paper we used to resolve disputes. The ROI came in a matter of months, not years."

Discount Management

Many suppliers to The Home Depot were certainly willing to offer significant discounts for prompt payment, but the company failed to take full advantage of these opportunities – losing out on millions of dollars per year in potential savings.

But through Direct Commerce's Discount Management Solution, The Home Depot suppliers could use a portal to select from a calendar of available discount opportunities – and in just a few seconds, choose a discount option for each invoice.

Direct Commerce onboarded 100% of the company's suppliers to portal within just three months – at no cost to the supplier.

eInvoicing

By adopting Direct Commerce's eInvoicing solution, The Home Depot took advantage of a fully automated and secure web-hosted platform for reducing errors and cutting invoice processing costs.

Suppliers could gain 24/7 visibility into each of their invoices and payment status. And The Home Depot could more easily validate invoices, match them to purchase orders, and electronically deliver them into their payment system – all through a 100% paperless system.

Reaping the Rewards

300% ROI in year one

For over five years, Direct Commerce has developed world-class supplier self-service portals for The Home Depot. With the latest technologies and professional expertise in deployment, Direct Commerce helped the company:

- Eliminate 100% of the paperwork involved in dispute resolution
- Reduce headcount by 40%
- Cut help desk calls by 60%
- Save millions of dollars per year through supplier discounts
- Eliminate 5 million pieces of paper processed annually
- Significantly improve supplier relationships

The Home Depot enjoyed a 300% ROI in the very first year after adopting the Direct Commerce Dispute Resolution Solution and even more benefits from other solutions that increased profits through supplier discounts and eliminated cumbersome manual processes.

Discover how Direct Commerce can help your organization implement intuitive and easy-to-use P2P automation tools that reduce costs, improve supplier relationships, and offer tools to take full advantage of supplier discount savings opportunities. Contact us today.



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Easy-to-Use P2P Solutions

To learn more about how Direct Commerce solutions can optimize your discount management and P2P automation, visit directcommerce.com or email info@directcommerce.com

