

CASE STUDY



Turning Accounts Payables into a Profit Center

To reduce it's massive volume of paperwork, Lilly's financial and IT teams studied a wide range of automated solutions.

How a leading global pharmaceutical company now reaps millions of dollars per year in savings

As the world's tenth largest pharmaceutical company operating in 72 countries worldwide, Eli Lilly and Company, enjoys a reputation as a leading innovator with a growing portfolio of best-in-class medications and therapies.

But in 2002, company executives realized that an ever-increasing volume of invoices and purchase orders meant that the company was generating a huge volume of paperwork for both Lilly and its 4,000+ suppliers.

To reduce this massive volume of paperwork, Lilly's financial and IT teams studied a wide range of automated solutions for dramatically reducing paper-based invoices and POs, cut high administrative and processing costs, and offer suppliers a secure and intuitive web-based portal to offer more visibility into invoices and payments.

direct
commerce

After a careful review, Eli Lilly selected the Direct Commerce eInvoicing solution to meet its immediate needs and later deployed the Direct Commerce Discount Management Solution to take full advantage of supplier discounts – and give suppliers more flexibility in choosing when they'd be paid.

Solutions



As Eli Lilly's Director of Accounts Payables explained, "Direct Commerce provided comprehensive training, a variety of online tools, and friendly ongoing customer support so Lilly suppliers felt at ease with the application in a very short time."

Intuitive Electronic Invoicing & Order Management

To streamline Lilly's accounts payables processes, Direct Commerce implemented an electronic invoicing solution with offered features and benefits that included:

- Flipping a purchase order into an invoice quickly and easily
- Eliminating most paper-based processes
- Quickly validating invoices and payments against specific business rules
- Automating vendor management processes
- Dramatically reducing errors and exceptions

Now invoices can be verified and approved in minutes not days. What's more, suppliers can access an intuitive web-based portal – at no cost to them – for 24/7-access to information on purchase orders, PO changes, and invoice status.

Rapid Supplier Onboarding

By providing Lilly with automated supplier enrollment technology and processes, Direct Commerce helped the company's 4,000+ suppliers begin using the eInvoicing platform within just a few months.

Direct Commerce Discount Management

In 2003 Lilly implemented Direct Commerce's Discount Management solution to fully capitalize on significant supplier discounts that the company was not taking advantage of. Combining robust technology with access to experienced Direct Commerce consultants, Lilly created a discount program that



Direct Commerce combined technology and human capital to create a lasting discount program for Eli Lilly that motivates suppliers to offer very attractive terms.



“Direct Commerce skillfully combined technology and human capital to create a profitable discount management program for Eli Lilly”

motivates suppliers to offer attractive discount terms through features including:

- Programmed discount optimization
- One-step payment functionality
- Supplier options for selecting their own payment terms
- Approver notification
- Automatic escalation for missed discounts
- Advanced analytics and reporting

Now suppliers can log in to their portal and select from several discount options most acceptable to their needs.

Reaping the Rewards

Turning Productivity into Profits

Once Eli Lilly deployed Direct Commerce’s eInvoicing solution, the company enjoyed a significant return on its investment by:

- Quickly reducing headcount
- Lowering hard costs
- Streamlining cumbersome processes
- Reducing invoice errors
- Gaining more visibility into supplier activities
- Eliminating nearly 100% of paper invoices

All told, Lilly began saving millions of dollars per year. As Scott Engelking, Senior Director, N.A. Shared Services at Eli Lilly and Company pointed out, “Direct Commerce Discount Management turned our AP department into a profit center.”

Discover how Direct Commerce can help your organization implement intuitive and easy-to-use P2P automation tools that offer significant savings, reduce processing costs, and improve supplier relationships. Contact us today.

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

