



# Best-in-Class Performance through Two I.T. Transitions

## How Merck & Company streamlined and simplified complex invoicing and workflow processes

***Merck & Company  
automated nearly  
20,000 invoices per  
month from 5,000  
suppliers.***

Merck & Company, a major pharmaceutical company with more than \$43 billion in revenue, operates a wide range of divisions and participates in several joint ventures to research, develop, manufacture, and market innovative medications and therapies to improve human and animal health.

But, one key business challenge was to more efficiently handle more than 20,000 invoices per month, which were being managed through inefficient and outdated paper-based processes. In 2002, Merck asked Direct Commerce to deploy solutions that would automate these processes, eliminate costly and tedious manual tasks, and improve relationships with suppliers.



However, the assignment was a complex one, requiring Direct Commerce to deploy its solution as Merck began migrating its ERP systems – first from its mainframe to a JDE solution, and later migrating to its current SAP solution. Yet throughout these transitions, Direct Commerce seamlessly and transparently adapted its web-hosted solutions so Accounts Payable personnel barely noticed any difference.



*Through Direct Commerce's solutions, Merck now has more efficient automated tools to expedite invoice processing, improve workflow and communicate more effectively with suppliers.*

## Solutions

### **eInvoicing (PO and Non-PO invoices)**

To streamline operations, Merck deployed Direct Commerce's eInvoicing solution to process both PO and non-PO based invoices. This solution allowed invoices to be matched with purchase orders, validate them against Merck's business rules, and securely deliver them into its financial system. This solution:

- Automated nearly 20,000 invoices per month from 5,000 suppliers
- Dramatically reduced exceptions from 50% to just 5%
- Decreased invoice processing time to improve supplier relations
- Worked seamlessly as the company moved from one ERP platform to another

Merck reduced its overall costs and gave its staff and suppliers alike 24/7 visibility and transparency into both invoice and payment status through a secure and intuitive web-hosted portal.

### **Workflow**

By deploying Direct Commerce's Workflow Solution, Merck can easily route electronic documents throughout the organization so that all authorized personnel can quickly access information, enhancing collaboration and expediting approvals. With secure web-hosted access to real-time information, the entire supply chain runs more efficiently while easily accommodating current SAP-based requirements.



*As Merck's Procure-to-Pay Director Adam Feibish pointed out, "From mainframe to JDE to SAP, Direct Commerce made it easy to do business."*

## Supplier Portal

With more than 5,000 suppliers, Merck needed tools to communicate more effectively and quickly with suppliers. A web-hosted self-service portal helped suppliers review invoice and PO information, communicate more efficiently with Merck, and take advantage of 24/7 access to information on payment status. As Merck offered suppliers this convenient portal, Direct Commerce's experts on-boarded suppliers and provided support – all at no cost to the supplier.

## Reaping the Rewards

### Making it easy to do business

Through Direct Commerce's solutions, Merck now has more efficient automated tools to expedite invoice processing, improve workflow and communicate more effectively with suppliers. Now Merck enjoys benefits that include:

- Complete and transparent integration with its current SAP system
- Automated processing of thousands of invoices per month
- Consistency in meeting exact and precise business requirements
- Significant reductions in invoice processing costs
- Improved relationships with suppliers through a secure web-based portal

Complex P2P problems require solutions that not only address technology, but also include access to professional P2P experts. Experienced Direct Commerce engineers and project managers worked closely with Merck to ensure the deployment of robust, yet easy-to-use solutions to meet exacting requirements throughout a period of major I.T. transitions.

As Merck's Procure-to-Pay Director, Adam Feibish pointed out, "From mainframe to JDE to SAP: , Direct Commerce made it easy to do business."

Discover how Direct Commerce can help your organization implement intuitive and easy-to-use P2P automation tools that provide 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](http://directcommerce.com) or email [info@directcommerce.com](mailto:info@directcommerce.com)

