

Automated purchase order management process

Dalkia cuts days from purchase ordered process to improve customer service.

"Now, it is much easier for engineers to see what items are in stock. That saves us money and enables us to deliver better services to our customers."

Filip Legény, IT project manager at Dalkia in Slovakia

CASE STUDY

SECTOR

Energy and Environmental

COMPANY NAME

Dalkia a.s. (now **Veolia Energia Slovensko, a.s.**)

COMPANY SIZE

~ 850

CUSTOMER PROFILE

A division of the Veolia Environment Group, Dalkia is a leading provider of energy services in Europe. In Slovakia, the company supplies heating systems and energy for commercial and domestic properties.

SOFTWARE

K2, Microsoft SharePoint, Microsoft Active Directory, Microsoft Dynamics ERP

SOLUTION

Automated purchase order management process

MAIN BENEFITS OF THE SOLUTION

- ▶ Improved customer service, as parts and products are available more promptly
- ▶ Optimised stock management, leading to cost savings

Every year, **Dalkia** raises 10,000 to 12,000 purchase orders (POs) in Slovakia, for everything from company vehicles to tiny valves for heating units. There were, however, two difficulties with the company's process for authorising and administering these POs.

PROJECT BACKGROUND

First, the process took too long. Employees had to print out a form, manually fill in details of what they wanted to purchase and physically take the document to the relevant managers for approval. Between two and five different signatures were required on each PO form, depending on the value of the item to be purchased.

Once a form had all of the necessary signatures, it had to be retyped into the company's Microsoft Dynamics enterprise resource planning (ERP) system. Consequently, it frequently took a week or longer for POs to be raised.

The second challenge was more troublesome. With the existing process, engineers could unknowingly raise POs for parts that had been discontinued, or get a digit wrong in a part number so that the incorrect item was delivered. If the component was required for a specific repair or installation project at a commercial or domestic property, the added delays caused by these errors could lead to unsatisfactory customer service.

CASE STUDY

SOLUTION

Working with K2, partner Gradient, and other third-party suppliers, Dalkia Group in Slovakia designed and implemented a number of automated K2 workflows. Chief amongst these applications was a new PO management process, which was tightly integrated with Microsoft's SharePoint, Dynamics ERP and Active Directory systems.

The first and most evident benefit that Dalkia witnessed was dramatic process acceleration. Employees now type their purchase requirements into an electronic form, which is then automatically conveyed to the correct managers for digital authorisation. There is no need to retype information, as all data in approved PO forms passes directly into the company's central ERP system.

"It used to take around a week for POs to be raised. Now, if everyone is at his or her desk, the approval of a PO can now be achieved in as little as 10 minutes."

Filip Legény
IT project manager at Dalkia in Slovakia.

The most significant benefit of the K2 workflow is the improvement in customer service. When engineers fill in PO request forms electronically, they are given a drop-down box of approved components and products, and the correct part numbers are automatically applied. Therefore, items can be sourced more promptly, enabling customer projects to go ahead on schedule.

In addition, the company expects to save money from the use of K2 processes. The K2 solution provides purchasing managers with a clear overview of all POs raised. They can easily see which products or parts are requested most frequently and then negotiate bulk-purchasing deals with suppliers. In this way, Dalkia can optimise its stock and operate more cost-efficiently.

Previously, when engineers raised POs for equipment, they didn't always know exactly which parts Dalkia already had in its in-house stockrooms. So they could waste time and money raising a PO for a specific heat pump when a similar heat pump (perhaps from a different supplier with a different part number) might already be available on the shelf. K2 gives engineers stock visibility and encourages them to use parts already available, rather than making one-off purchases with a higher unit cost.

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