



SMC migrates Accounts Payable to the cloud for better control and automation



Case study



The Company

SMC is the worldwide leading expert in pneumatics and automation for the manufacturing industry.

The company has headquarters in Tokyo and 500 sales offices with representation in 83 countries across the globe, offering automation solutions to all 5 continents.

The corporate culture is strongly influenced by the Japanese background and the concept of Kaizen (roughly translated as “the strive for constant improvement”) is clearly present in all parts of the organization.

Automation and Kaizen are key values for SMC



Since our core business is automation for manufacturing industries it comes natural for us to also automate our accounts payable process.

Fredrik Lundberg, Finance Project Manager, SMC Corporation

Case study summary:

- SMC is the worldwide leading expert in pneumatics and automation for the manufacturing industry
- SMC's European division used a Medius AP Automation on-premise version since 2010 and upgraded to Medius AP Automation in the cloud in January 2018
- Medius AP Automation is integrated to SMC's ERP Infor M3
- Processing approximately 70,000 invoices per year in Medius AP Automation
- Efficiency results: improved from an average of 10 minutes per paper invoice processed to 2 minutes per invoice with Medius AP Automation.
- Automation results: 70% of order-based invoices are managed in a fully automated and touchless process after only 4 months live on the cloud solution

Life before the cloud

SMC's European organization had used an on-premise version of Medius AP Automation since 2010. The solution was installed on SMC's proprietary servers which required a dependence on internal IT resources for ongoing maintenance and upgrade projects.

"Our on-premise solution worked fine but we realized we were missing out on functionality available in later versions. It was sometimes hard to find time and resources

within the finance and IT departments to support the upgrade projects that we wanted to do." - Fredrik Lundberg, Finance Project Manager, SMC Corporation.

The on-premise installation often required local customizations of the solution to meet the needs of local companies in the group. Hence both IT and Finance teams often found themselves tied up in time consuming projects and bug fixes.



A modern solution in the cloud

In January 2018, SMC moved their AP process to the cloud with Medius AP Automation. Thanks to regular and automatic product upgrades they now know that they always have access to the latest version with the most modern functionality.

"Medius AP Automation is a standard solution with a lot of built-in functionality and best practice workflows that cover our needs well. While we previously built customizations to enable certain features - such as VAT management for our Italian subsidiary - they now exist in the standard solution," comments Fredrik Lundberg, Finance Project Manager.



Cost savings and availability

SMC's users have experienced improved accessibility of the solution since the upgrade to the cloud version of Medius AP Automation. The solution is now available 24/7 on desktop or mobile without the need to login via VPN. In addition, the number of support tickets has decreased since the solution is now fully cloud-based.

"Moving to the cloud has resulted in cost savings for us, although it is hard to calculate the exact savings since we have previously not charged internal fees for our IT department resources. Today we handle the solution without nearly any involvement from IT. Plus, since Medius AP Automation is a subscription-based cloud service we now have a predictable total cost throughout the contract period." - Fredrik Lundberg, Finance Project Manager, SMC Corporation.



Results after only 4 months

After only 4 months with Medius AP Automation in the cloud, SMC experienced 70% of all purchase order-based invoices managed in a fully automated, touchless, workflow. With advanced reporting functionality and dashboards they can now measure their performance on a number of AP efficiency KPIs and compare with benchmarks based on the average performance of all Medius AP Automation users.

"We can really work on kaizen - continuous improvements - for our accounts payable process. We compare performance of our different subsidiaries and use the Medius AP Automation benchmarks to identify areas of improvements and optimize our process. Already after 4 months we have achieved a 70% touchless ratio which is above average. But we are not satisfied and have set a goal to reach at least 80% touchless processing for all European companies of the group." - Fredrik Lundberg, Finance Project Manager, SMC Corporation



The dashboards in Medius AP Automation allow us to easily track our most important KPIs and report performance to our headquarters in Japan.

Fredrik Lundberg, Finance Project Manager, SMC Corporation

About **Medius**

Medius AP management software replaces the work and worry of invoices with AI and automation. Medius goes far beyond basic automation by using artificial intelligence to do the work - so invoices get coded, approved and paid, and your business can trust your budgets and forecasts without the fear of potential fraud. And you won't have to worry about implementation and ongoing administration costs, because you'll start seeing the value immediately and the innovation won't stop. To learn more, visit medius.com.



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