Real Talk With | The Seventh Continent

The Seventh Continent, one of the leading supermarket chains in Russia, lowered its costs by more than 20%, reduced time required to process each supplier operation and has achieved the required level of transparency with Xerox® solution for processing of invoices and other accounting documents coming from suppliers.

Starting point

JSC “The Seventh Continent” processes more than 600,000 documents coming from several thousand contractors monthly. Supporting such workflow required a large amount of staff, of which each needed to be trained. With a low employee retention rate, the retailer was suffering from increasing costs. Quality of information was not optimal either – as manual data entry is subject to human error. It was hard to identify information and time required to process documents was steadily increasing. Additionally, the geographical remoteness of the company offices was making it even more challenging - it was hard to make accounting documents available to employees in isolated locations. Costs for processing, storage and archiving were a growing burden for the company.

The Seventh Continent was looking for a professional service provider who would be able to optimize the company’s workflow and process incoming documents - with the aim to increase the efficiency of business processes and reduce costs for the retailer.

Solution

The company signed a 5-year contract with Xerox in Russia for Xerox® Document Transactional Processing Services (DTPS). The solution covers all stages of invoice and accounting documents processing - from document receipt and registration to forming prototypes of Accounts Payable transactions and uploading them into the customer’s ERP system.

As part of the project, a hardware and software system for automated processing of different types of documents was introduced in one of the retailer’s sites, ensuring its integration with ERP-system of the company.

In addition, Xerox started up the electronic document storage and created an integrated tracking system, through which employees have online access to the document processing status reports.

All document processing is performed by Xerox® on-site employees and includes checking document packages received from the goods suppliers for completeness and correctness of their data as well as identification of discrepancies in price or quantity between actual received goods and the order in ERP system. In case of any mistakes detected the supplier will be automatically informed about it.

Each of the identified discrepancies is displayed on the customized automated workstation of a manager in charge. It facilitates making a decision on “problem” papers. Similar processes were constructed for other types of transactions such as return and cancellations, as well as processing of transportation documents which accompany the movement of goods within the distribution chain.

Results

This DTPS project with Seventh Continent is a unique one for the Russian market in terms of the volume of services provided. The solution implemented has gone beyond the initially discussed scope of invoice processing and electronic content management. Document processing has undergone a full transformation; now it is an automated, reliable and efficient system that allows processing over 10 types of accounting documents including delivery ones.
With this system on board, the retailer’s accountants can focus on critical tasks.

As a result of the project, the Seventh Continent was able to reduce costs of processing contractors’ documentation by more than 20%. Moreover, quality of the entire document flow process transference improved and time for “closing” a typical delivery was reduced from 3 days to 24 hours.

“Outsourcing of such an important and complex process always involves risks,” says Alexander Pershutov, director of business support, the Seventh Continent. “We have worked hard for six months in order to transform the processes, test solutions, coordinate and implement various components of the service which allowed us to prevent problems of transition.”

Now that the new process is implemented, further expansion of the service is expected. For instance, Xerox® is ready to take over further processing of “problem sets,” interaction with stores and a number of other functions.

About the Seventh Continent
JSC The Seventh Continent was founded in 1994 and now it is one of the leaders on the Russian retail market. It is one of the first Russian multi-format retail chains. Operations in several formats allow the company not only to continuously expand the scope of their activities, but also to improve the competitiveness of the stores, meanwhile broadening the range of the loyal customers, who have a variety of shopping preferences and income levels.

Its high-tech stores: “The Seventh Continent – Five Stars,” “The Seventh Continent – Universam,” “The Seventh Continent – Next Door,” “The Seventh Continent – Gastronomy,” and “NASH Hypermarket,” offer their customers a wide range of goods and services of high quality, with a flexible price policy, always meeting the demands of the market.

About Xerox
Xerox is helping change the way the world works. By applying our expertise in imaging, business process, analytics, automation and user-centric insights, we engineer the flow of work to provide greater productivity, efficiency and personalization. We conduct business in 180 countries, and our more than 130,000 employees create meaningful innovations and provide business process services, printing equipment, software and solutions that make a real difference for our clients – and their customers.

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