

# Global 360 has given AEGON better control of its invoice processing

## The Challenge

Life, Non-life, Damages, Banking and Retirement Services: all utilize Global 360 to streamline key business processes. So in 2006, when AEGON Financial Services was looking for a process management solution to increase control of its invoice processing process, Global 360 was a natural choice. Central Invoice Processing, which is part of AEGON Financial Services, is responsible for credit management and processing over 50,000 inbound invoices every year. Their existing paper-based processes were resulting in a lack of visibility. Furthermore, payments were duplicated, with invoices getting lost and no control of existing statuses.

Invoice processing involves scanning all received invoices and pre-processing, as well as approving, verifying and executing all payments. Some 7 invoice processing agents, 40 to 50 management support people and over 200 business managers are involved in the process. A strictly organised business process that is based on a hard authorisation matrix, handles the approval of every inbound invoice. This means that each invoice is submitted to the relevant manager who is authorised to sign, with escalation to a higher management level as a backup process.

## The Solution

“The main guiding principle was our philosophy that we definitely wanted a single uniform system that every new user is able to grasp within five minutes,” explains Erwin van Kemenade, Manager of Central Invoice Processing. “After a successful pilot with Global 360, in the spring of 2007, we decided to build the required solution for invoice verification and approval. This was realized in just five weeks after the summer, including the integration with Peoplesoft, which is used to make the actual payments.”

### Challenges

To efficiently and transparently process over 50,000 inbound invoices annually.

### Goals

Increase control of the invoice processing process and significantly reduce the lead time.

### Results

The lead time was reduced by about a month and control of the business process increased significantly. Savings due to internal efficiency improvements already realised, as well as huge cost-saving potential in the longer term by centralising the greatest possible number of purchases with preferred suppliers.



### Customer Overview

AEGON is a leading insurance company that offers a broad range of financial services. This includes collective and individual pensions, life insurance, mortgages, non-life insurance, health insurance, funeral insurance, capital management, saving and investing services. The company markets its products and services primarily via intermediaries.

AEGON Netherlands centralized its product innovation and the daily management of all its services in five professional service centres in 2004. These provide new products and services to three sales channels, as well as handling the entire administration. Worldwide, AEGON employs 29,000 people who realise over 36 billion Euros annually. Around 20% of this amount is generated in the Netherlands.





### Impact on IT

The implementation and configuration of the Global 360 solution proceeded much faster than expected. Building the application took around 400 hours with a five-week lead time, while everyone got the hang of the application within only a few minutes. "The technical part was definitely easier than we expected," says van Kemenade. "Of course, one reason is the fact that multiple AEGON divisions already work with Global 360 software. The greatest pitfall in this implementation was the fact that people suddenly had to work differently than they had been doing for years. This resulted in some resistance, of course, which we were able to solve with a number of introductory roadshows."



### Impact on Business

"In terms of the ROI, we expect that the largest saving will be realised by centralizing as many purchases as possible with our preferred suppliers, as well as the internal efficiency improvements," continues Van Kemenade. "The system also helps us reduce the number of errors significantly, as well as ensuring we pay our invoices on time. Finally, a better understanding of the process allows us to concentrate larger purchasing volumes with preferred suppliers. This could yield the biggest cost saving for AEGON in the coming years."



### Impact on Managers

"Since the lead time was reduced by a month, we had to deal with a peak that was then processed by a four-man team. Since that time, all of the invoices in current processing are just a few days old instead of several weeks, as used to be the case. In that initial phase we also uncovered a number of deviations in its internal invoice processing. As a result, the underlying authorisations have been reassessed in addition to the total business process."

## Impact on the Participants

"Before we started processing all invoices electronically, the total business process took about five to six weeks," explains Erwin van Kemenade, Manager of Central Invoice Processing. "This made it impossible for us to pay our creditors within 30 days. Paying earlier to benefit from payment discounts was entirely out of the question. Global 360 has helped us speed up the total invoice processing process by a month. Furthermore, the Global 360 application has greatly reduced the number of reminders and phone calls from creditors tracking unpaid invoices."

The strictly organised business process around invoicing, as described before, takes up a lot of time of management, back-up, higher management and the employees of the relevant department. "A business case created towards the end of 2006 showed that we could realise the greatest benefits for a large number of decentralised employees, all of whom maintain their own overviews and invest a lot of time in invoice processing, by implementing a process management system," continues Van Kemenade. "The system also helps us reduce the number of errors significantly, as well as ensuring we pay our invoices on time. Finally, a better understanding of the process allows us to concentrate larger purchasing volumes with preferred suppliers. This could yield the biggest cost savings for AEGON in the coming years."

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