

## Outsourcing An Accounts Payable Processing Operation: SourceNet's Strategy for Successful Transformation

### **THE CUSTOMER CHALLENGE: Outsource its accounts payable processing in order to focus on its core business competencies.**

Drive Financial Services, LP (Drive), is a Dallas-based national consumer finance company engaged in the purchase, securitization and servicing of retail installment contracts of more than \$1 billion originated by automobile dealers throughout North America. In 2004, Drive instituted a corporate strategy to outsource many non-core business functions — a key component of which was Accounts Payable.

Per Michele Rodgers, Drive's Controller, "The objective of outsourcing was not so much to cut expenses on the individual outsourced tasks, but to change the focus of the company leaders from cost savings and personnel management to revenue growth and corporate strategy."

For Accounts Payable, Drive was looking for a company that would provide a good price point and enhanced process monitoring while enabling them to maintain control. Processing off-shore was not an option.

### **SOURCENET'S SOLUTION: Outsourced Accounts Payable Processing**

A team of experts from SourceNet Solutions (SourceNet) collaborated with the Drive staff to evaluate their A/P practices, workflows and supply-base characteristics.

SourceNet customized a solution, based upon Drive requirements and business policies, that included the centralized receipt and imaging of Drive's invoices, routing for coding, and invoice approval using one easily accessible and powerful workflow management tool.

The solution also includes customer and supplier invoice status inquiry and a myriad of payables operational and analytical reports.

### **THE OUTCOME: A streamlined A/P processing approach that translated into greater operating efficiencies and time and cost savings for the customer.**

Drive selected SourceNet's A/P processing service, which utilizes advanced processes and procedures coupled with technology solutions that include imaging and an automated workflow. This approach enabled Drive to:

- Access imaging workflow, payment and e-commerce tools for online invoice coding and approval.
- Reduce process operations costs and sustain performance levels as their processing volume grows. Since October 2004, Drive's disbursement volume has increased 40 percent, while overhead costs have decreased four percent.
- Migrate more paper-intensive payables to an electronic environment through consistent electronic imaging of invoices.
- Utilize highly effective reporting and tracking. According to Rodgers, "SourceNet's weekly performance report provides Drive with a powerful tracking tool that measures daily performance, which translates into more predictable operating costs, compares performance to contracted service level agreements, and allows Drive the flexibility to meet our changing business needs."
- Access a fully staffed, professional Customer Service Center for quick resolution to inquiries.
- Obtain support group assistance for escalating exception resolution and providing risk control and key client interface and support.
- Achieve predictable staffing levels with reduced risks and personnel liabilities.

During the transition of outsourcing Drive's Accounts Payable department, Drive and SourceNet collaboratively developed a plan to strive to ensure a non-disruptive and high quality operation. As a result of the experienced internal staff and smooth transition of outsourcing, Drive continued to meet all of its vendor liability payments without compromising performance. "By outsourcing our A/P processing to SourceNet, we were able to "piggy back" off of many of SourceNet's existing process flows and leave the experts to handle our A/P processing," added Rodgers.

*SourceNet's A/P processing service is another example of how SourceNet works to provide you with innovative answers to your changing treasury needs.*

*For more information on AP processing, or any other SourceNet service, call 1 866 768-7268, and ask for Business Development, or visit our Web site at [www.sourcenetsolutions.com](http://www.sourcenetsolutions.com).*