

Invoice Costs Under High Security

Optimizing the purchase to pay process is a big and expensive headache for many organizations. HM Prison Service has made significant in-roads into the problem using a solution from American company Brainware.

Set up in 2005, the HMPS Shared Service Centre, in Newport, is tasked with achieving savings of £30 million while improving service across a range of finance, HR and, particularly, procurement services for 130 prisons. Steve Hodgson, Head of the Service Centre, says: "We found the cost of processing an invoice to be roughly twice what we were expecting, closer to £5 than £2." Analysis showed an extremely diverse supplier base, heavily dependent on paper invoices, and unwilling to absorb the costs of an EDI solution. Therefore, says Hodgson, "we decided that the automation of paper, rather than the elimination of paper, was the way we would go. There are more than 10,000 vendors in the supply base with more than 5,000 regularly interacting; building individual templates for thousands of suppliers would not have been a practical proposition. The feature of Brainware's solution that attracted us was its ability to process invoices without having to build a template for each supplier."

Steve Britton, Brainware's VP, Sales, EMEA, explains: "Our technology gives us a unique ability to process very large numbers of invoices, regardless of whether they are electronic or in scanned paper form. Our software can learn from examples: we can 'teach' the system to recognize specific details, and it can then apply 'handles' to information on documents that it hasn't seen before. It's a highly scaleable approach for customers with tens or thousands of suppliers." Britton points out that ineffective invoice processing isn't just costly. "If you can't get out from under the paperwork, you have no visibility at senior level. You damage supplier relations, you can't identify and work with strategic suppliers and, often, real money is going begging. One of our clients reckons to have received an additional \$16 million in 'early payment' discounts, which wasn't available when they were unable to deal with invoices effectively."

At HMPS, Hodgson reckons to have reduced invoice processing costs by 50% in Phase 1, representing £250,000, and expects a further 50% reduction in future years. This would bring the cost per invoice to little more than £1, which he says "beats 'world-class' processing costs."

More information

www.brainware.com

A Sustainable Campaign

'Sustainability' in military circles is an important word, but it isn't usually associated with the Forces' environmental footprint. This however is about to change. Consultancy BMT Isis has produced the first 'Guide to sustainability in defence acquisition' which is about to be adopted by the UK's Ministry of Defence, as part of the Government's drive to become a leader in sustainable public procurement practice.

Mark Hedges, Senior Environment and Sustainability Consultant at BMT, explains that the purpose of the document is two-fold: first, to raise awareness of sustainability issues and transfer knowledge to all defence acquisition programmes, and second to serve as a tool to sustain the sustainability drive in the long term. He says "The document will form an Acquisition and Operating Framework and will be available through an MoD public website not only to staff but also all suppliers and potential suppliers".

The biggest problem, says Hedges, has been the huge diversity of defence procurement. "Sustainability, rightly, means different things to different people: our biggest challenge has been to create guidance that is meaningful to everyone". The guidance builds on earlier work by the MoD with some 33 key suppliers such as BAe and QinetiQ which defined the high level intentions of suppliers and the MoD towards sustainable procurement.

Sustainability considerations should be included at every stage from Concept and Assessment through Design, Manufacture and In-service use to ultimate Disposal, and include social and economic considerations. Hedges concedes that "probably some 70% of the document is about environmental sustainability, because it is relatively easy to quantify and measure, but that is really only a third of the totality of sustainability considerations".

He gives an example of how the new thinking might work. "If you take radar equipment deployed in theatre, this requires energy from diesel generators. That means refuelling, that means vulnerable truck movements. If the acquisition process can reduce the energy requirement that not only saves fossil fuel, it means less refuelling, less cost, and fewer people being put in danger".

BMT has been delivering training in sustainability concepts to MoD personnel who have, says Hedges, "a definite appetite for this approach".



Dubai Joint Venture Positions UPS for Near-Eastern Markets

UPS announced a new joint venture headquartered in Dubai to co-ordinate management and growth of UPS express package, freight forwarding and contract logistics services across the Middle East, Turkey and portions of Central Asia.

UPS will have a majority stake in the joint venture that will acquire Unsped Paket Servisi San ve Ticaret AS of Turkey, UPS' largest service contractor. Haluk Undeger, Unsped Paket CEO, will lead the new venture and own a minority share. Specific terms of the deal were not disclosed. Closing is expected in the next 30 days, subject to the satisfaction of customary conditions.

"This emerging area covers trade to and from 21 countries, where UPS is experiencing increased demand," said Dan Brutto, President of UPS International. "The joint venture will spearhead growth among our other service agents and operations in these countries. This part of the world has become a transportation bridge and ideal near-sourcing location for Europe, Russia and Asia. UPS' attention in this larger region will also further opportunity in the growing oil and natural gas industry sector."

The joint venture follows the announcement earlier this year of expanded UPS domestic express small package pickup and delivery services offered in Kazakhstan, Pakistan, Saudi Arabia and United Arab Emirates (UAE). Shipping processes and information visibility for all domestic and international package delivery services in these countries has been streamlined. In January, UPS registered in the free trade zone and assigned a strategy team, based in Dubai, to develop business goals and priorities.

UPS first entered the Middle East in 1987, when it established import operations in Bahrain. The company expanded to offer a comprehensive service portfolio combining local expertise through service contractors and joint ventures within countries — the first with Gulf Agency Company (GAC), in Kuwait, and UAE in 1995. In 2004, in Dubai, UAE became an important gateway for 'around-the-world' flights between Europe and Asia to link major business regions and leverage the UPS global network for sorting and bypass operations in the most efficient manner.



Jail Risk for Logistics and Transport Managers

New statistics have revealed that almost one in three road crashes involve people who are using their vehicle for work. That places managers in logistics and transport businesses (whether British or foreign-owned) at possible risk of jail, under a new UK law that came into force at the start of this year.

The new statistics were announced last month, at the International Conference on Road Safety at Work, and have been analysed by experts at training company Pivotal Performance. "It is up to managers to ensure that their employees have been given correct guidance on driving safely while working," said Pivotal Performance's Jane Gillham.

"This means having policies in place to cover things such as not using handheld mobile phones while driving, and sticking to all relevant road safety laws even if they are running late for an appointment. Managers need to do risk assessments on using vehicles for work; put policies in place and ensure employees get training where appropriate. If an employee is hurt while driving during work, there is a chance that their manager could be prosecuted."

The new law makes employers personally accountable for the safety of their employees during the course of their work. Breaches could see managers or directors jailed, or face Magistrates Court fines of up to £20,000.

New Reporting Tool Boosts Duty of Care

In response to the new law, Cybit has launched SpeedSafe, a new individual road speed management-reporting tool for its Fleetstar-Online's Duty of Care solution. The new module enables managers to enforce work-related road safety, a key requirement of the Health & Safety (Offences) Act. SpeedSafe creates driver performance reports that assign points to drivers based on instances of speeding, with severe infractions accruing more points. These totals are then ranked on a monthly basis and can be broken down in any way the manager requires, for example, by days of the week to drill down into driver performance forming a key component of corporate risk management. "The Health & Safety Offences Act requires employers to mitigate risk for mobile employees: reducing speeding is one of the primary ways that this can be done," comments John Wisdom, Sales and Marketing Director, Cybit. "The risks of travelling at high-speeds are well documented, but employers need a way, not only to see when instances of excessive speed occur, but also a way to implement and manage a process to reduce them. We use Speedsafe inside our business as the most effective way to do this." Cybit's speed management package, which includes individual roads' limits, is part of a Duty of Care module that automatically reports on telematics driven data, such as excessive journeys, distances driven without breaks and other driver metrics. This is combined with fleet management information, such as vehicle servicing, driver training and licensing checks. Telematics generated data can also interface with fleet management solutions via a standard API interface to provide seamless fleet management.



Murata Reduces Thickness of RFID Modules by Half

Murata has reduced the size of its tiny RFID module MAGICSTRAP®, making it suitable for paper label inlays for mainstream retail applications. The size of this second generation module is 1.6 x 1.0 x 0.25 mm — its thickness has been reduced by more than half and its volume by 89% compared to the first generation devices. The RFID modules can be mounted using ordinary adhesive — with only millimetre accuracy — onto almost any conductive surface to act as the antenna.

The MAGICSTRAP, therefore, represents an easy to implement 'Zero Defect' tag solution that requires only minimal knowledge of RF electronics. Its low placement accuracy requirements allow RFID inlays for paper tags to be manufactured without sophisticated component placement machinery, which results in substantial cost savings for manufacturers. It combines the latest in ceramic materials with a breakthrough in inductive coupling technology to produce a durable, stable and very easy to mount module. Each module comprises Murata's LTCC (low temperature co-fired ceramic) substrate, plus RF IC and packaging. The company's strengths in multi-layer ceramic technology have allowed it to embed all of the necessary RF circuitry, including antenna filters, matching circuitry and 10 kV ESD protection within the LTCC substrate of the module.

A typical RFID system for a paper tag inlay would be an antenna pattern of metal foil with a MAGICSTRAP module mounted on it. Due to its unique patented inductive coupled connection technology, it does not require soldering and can be mounted using ordinary non-conductive adhesive. Manufacturers can avoid investment in sophisticated placement machinery; the modules can even be mounted by hand, representing a more cost-effective solution. Where placement machinery is used, however, the lower accuracy requirement means that the throughput of such machines can be increased to approximately double. In supply chain management applications outside paper tags, MAGICSTRAP can be mounted on almost any conductive surface, which can act as an antenna due to Murata's sophisticated embedded antenna matching circuitry.

The module's embedded wideband antenna matching circuit allows it to be readable over the band 860–960 MHz at a distance of up to 5 metres. This means that the same module can be used worldwide (in Europe, the US and Japan), saving cost and inventory for manufacturers. MAGICSTRAP complies with EPC Global Class 1 Gen 2.



Parcelforce Launches New Export-Driven Services

Parcelforce Worldwide has launched a new suite of cost effective international services following an 11% rise in export deliveries in the past year.

With UK companies taking advantage of the weak Pound to seek out new market opportunities, Parcelforce Worldwide has seen strong export growth across the world. Exporting hotspots include EU 'accession' countries in Eastern Europe, major Asian destinations and Western Europe, where there has been a marked increase in the amount of parcels sent from the UK.

The new suite includes

- Global Express — a fully trackable delivery service from next day to Europe and North America and delivery from 2 days to the rest of the world.
- Global Priority — delivery from 3 days to destinations outside of Europe.

- Global Value — a new parcel delivery service to major destinations outside Europe taking 5–10 days with full tracking capabilities. This will offer customers a cheaper alternative, where price is more important than speed.
- Global Bulk Direct — a cost-effective service that allows exporters to send a pallet with individual parcels — all going to different addresses — to one destination. On arrival, it is broken down and individual parcels are then despatched to individual addresses.

Iain Johnson, International Director of Parcelforce Worldwide, said: "Despite the tough economic climate, UK companies are recognizing that there are export opportunities as a result of the weak Pound, the growth of Eastern European countries and the continued strength of economies such as China and India. We've seen the number of global deliveries we handle increase by 11% in the past year."