



LONDON
METAL EXCHANGE

Profile

Project Date

2013

Sector

Industrial Metals Trading

Product

AdestAP, AdestPO,
AdestWeb and
AdestExpenses

Application

Purchase to Payment
Solution — Purchase Order
Requisition, Automated
Purchase Invoice Processing,
Invoice Matching, Approval
Workflow, Expenses
Requisition, Electronic
Expense Payment Processing
and Secure Storage

The London Metal Exchange — Exchanging Old Business Processes for New

Project Brief

The London Metal Exchange (LME) is the world centre for industrial metals trading and price-risk management. More than 80% of global non-ferrous business is conducted by the LME and the prices identified on their trading platforms are used as the global benchmark. A member of HKEx Group, the LME brings together participants from the physical industry and the financial community to create a robust and regulated market.

Processing over 30,000 purchase invoices annually, the LME had a significant growth forecast, and with limited resources available within accounts department to facilitate this anticipated growth, needed a solution that would offer greater capacity around their Purchase to Payment process.

The LME determined a new system needed to be easy to use, web based for remote user access, and could easily manage the sophisticated and extensive approval workflow process that existed within their organisation. Combined with an electronic procurement system, the LME also needed to remove the requirement to manually receipt, match, seek approval, file, and process each supplier invoice for payment.

“Working with Adest has been a positive experience, throughout the process they’ve been adaptable and focused on our requirements.”

— Hannah Cavander, AP Supervisor, London Metal Exchange

The LME enlisted Adest to help them solve these issues and chose AdestAP as the solution offered a complete and seamless purchase to payment process with a significantly better return on investment than other solution providers.

The Challenges

The primary challenge for the LME to implement any new system is the fast pace of change within the organisation and its highly complex existing IT systems and infrastructures.

Therefore the LME accounts payable division needed a solution that would adhere to their existing IT processes and policies, could be deployed rapidly and be flexible to meet future requirements.

The Solution

The LME's objective was to automate their entire process, from the moment a purchase order is requested to placing it in an electronic approval process, and if it's approved, being sent to the supplier in a digital format. From here, the system would automatically receive, read, match and file each supplier invoice, removing all manual processing significantly reducing time and costs associated with the entire procurement process.

In order to achieve this objective, the LME chose to implement the AdestAP Enterprise Purchase to Payment (P2P) software solution. The enterprise solution incorporated the AdestPO module combined with the enterprise AdestAP, AdestWorkflow, AdestWeb and the Adest Expenses processing solutions, all of which linked seamlessly with the LME's Open Accounts ERP system.

Adest PO

By using AdestPO to create purchase order requisitions, the LME are now able to pass each Purchase Order (PO) through the Adest approval workflow system prior to being approved, and then issue it to the relevant supplier electronically.

AdestAP

The AdestAP system allows for all corresponding purchase invoices to be automatically captured, interpreted and verified, whether they arrive via email or are scanned into the system. AdestAP can then match each invoice to the relevant PO. Once the invoice has been matched, the LME can then register it into their Open Accounts ERP system and, if necessary they can distribute it via the AdestWeb module for query resolution and approval or rejection.

AdestExpenses

Separate to automating the P2P process for supplier procurement and invoice processing, the internal expenses processing requisition and payment process was also automated using the AdestExpenses software processing solution.

Each expense request raised by an employee is now efficiently recorded, audited and managed by a customisable approval workflow process. This means each approved expense, once receipted, is then electronically submitted for payment approval before being automatically registered as an expense liability on their Open Accounts ERP system.

To facilitate this, Adest also provided LME with the function to enable direct imports of expenses payments made on Company Credits directly from electronic bank feeds. This removed the requirement for employees to key in expense claims directly from paper statements, empowering users to efficiently and accurately allocate direct expenses for payment processing.

The Results

Despite a very complex IT function at the LME, Adest were able to implement the new systems with ease and very little disruption to the rest of the organisation.

