



CASE STUDY

Leading Gas Distributer reduces discount approval times by over 80% to drive efficiency in supply chain

Organization:

Leading Gas Distributer

Industry:

Utilities & Energy

Location:

Chile

Manual methods and offline workarounds were preventing the gas distributor's employees from providing an outstanding service to their distributors. They needed to optimize their approval cycle by and automating the request and allocation of discounts.

Optimizing activities and resources alongside seamless connectivity with its legacy ERP has revolutionized internal procedures, reducing the approval cycle time by 83%. Thanks to Bizagi software, staff are empowered to provide the best service possible and improve relationships within the supply chain.

83% reduction in approval cycle time

5 weeks to deliver complete automation

"Seamless integration with the legacy SAP ERP system was crucial to enable the end-to-end process automation and significantly contributed to the project success."

Objectives

- 🎯 Automate core business processes and workflows including request & allocation of distributors' discounts
- 🎯 Gain real-time traceability of discount requests to increase process control
- 🎯 Ensure integration with SAP ERP for both data gathering and data updating
- 🎯 Optimize activities and resources involved in the process
- 🎯 Minimize request approval times to improve applicants' response rates

Achievements

- ✅ Process automation accomplished in record time of five weeks
- ✅ 83% reduction in approval cycle time, from discount request to approval update in SAP
- ✅ Centralized data, allowing agile decision making and faster time to market
- ✅ Elimination of manual tasks, increasing traceability and reducing the risk of errors
- ✅ Increased process transparency, data consistency and resource productivity

Overview

This leading provider of Liquid Petroleum Gas (LPG) in Chile for the residential, industrial and real estate sectors, has a large nationwide coverage and presence in Peru and Colombia. With a great industry reputation, environmental and safety certifications and the most advanced packaging facility in Latin America, it has become the industry benchmark for others to follow – hence the need for greater efficiency and operational excellence.

Challenge

The gas distributor's request and allocation of discounts to distributors process was carried out informally. This involved handling applications and approvals via email, without the use of standard forms, and manual activities for managing data in and out of the SAP ERP system. This approach resulted in poor traceability and mismanagement of approval requests because of delayed or missing approvals.

The biggest challenge was the integration with the SAP ERP system, which contains critical information on sales and previous discounts. This information was essential to evaluate the application and make a decision about the right level of the distributor discount. To finalise the process, the information related to approved discounts and their validity periods had to be manually uploaded to SAP.

They also required an agile and easy to use BPM solution. Bizagi's modern business collaboration platform satisfied these requirements and was selected as their preferred BPM solution for faster process automation.

Solution

The automated process enables zone agents (requestors) to initiate a discount request on behalf of a distributor (customer) using a simple Bizagi web form. This form interacts with SAP and brings through the distributor's sales information to complete the application. At this point the automated approval workflow begins, which coordinates and executes all the steps and authorisations from various departments as necessary and automatically uploads the approved discount and validity period to SAP.

The tight integration with the SAP system was key in this process due to the volume of funds associated with the discount approval. This integration allowed approvers to evaluate applications in a centralised manner, without having to access different systems in parallel. Moreover, applicants are able to initiate the task easily from any mobile device, and once the discount is approved, the information is automatically uploaded to SAP and made available to everyone involved in the process.

They took a holistic approach to automation, making the discount approval process seamless – something that extends the boundaries of the organization and integrates many external stakeholders.

Results

The gas distributor accomplished the automation of the discount approval process in a record time of 5 weeks with the support of BackSpace, a Bizagi consulting partner in that country. This process is one out of three that have been automated so far, where the rapid adoption of Bizagi and extremely positive user feedback motivated a process automation initiative across the company.

The overall discount approval time was decreased by 83% (from the discount request to upload of approval information to SAP) resulting in higher levels of satisfaction among distributors. Manual tasks were eliminated, reducing human errors and providing full process traceability, data consistency and real-time monitoring of individual requests and activities.

The integration with SAP enabled reduced time to market, providing the gas distributor with the ability to make fast and informed decisions regarding promotional activities, ranging from running incentive-driven sales campaigns through to delivering targeted promotions of specific gas solutions. The streamlined approval workflow supported the realignment of roles and responsibilities of all participants involved in the process, increasing employee productivity and efficiency. Furthermore, process KPIs and reports allowed tighter controls supporting continuous process improvement and placing them in an enviable position in terms of operational performance.