

# Carestream Health

*Simplifying Global Purchasing, Inbound Visibility, and E-invoicing Compliance with Descartes B2B Collaboration*

The pace of change in today's worldwide healthcare environment is rapid, and the mandate to provide better outcomes for people has never been greater. For global medical imaging and IT solutions provider Carestream Health, using Descartes B2B Collaboration to simplify its complex purchase-to-pay and inbound logistics processes and to fully automate e-invoicing compliance is helping the company deliver a flexible, global collaboration solution to reduce operating costs and lead times, while increasing inbound visibility and receiving efficiency.

## The Challenge: Modernize Manual Purchasing and Meet E-invoicing Mandates

Managing the purchasing lifecycle can be challenging, especially for a company with offices in 170 countries, 1,500+ vendors around the world and a diverse customer base ranging from small medical clinics and single hospitals to large networks and even entire countries. With Carestream's manual practices for purchase order (PO) creation to acknowledgement, changes, receipt, invoicing and payment, the labor involved and the potential for errors was substantial. To further exacerbate matters, there was no standard approach to the purchasing discipline across locations and no enterprise-wide visibility into purchasing activities and workflows. Additionally, Carestream wanted to reduce the risk of non-compliance with global e-invoicing mandates, particularly in Europe, by fully automating the invoicing process while adhering to applicable privacy legislation.



With a complex supplier network, broad range of products and diverse customer base, Carestream required a solution that could comply with e-invoicing requirements and automate order management.

## Carestream

Carestream Health is a health imaging and information technology solutions company providing medical and healthcare IT solutions, as well as X-ray film and digital X-ray products for the non-destructive testing market worldwide.

They also provide product, technical and service support, including remote equipment and software management services. In addition, they own over 600 patents in digital imaging, healthcare IT, film and imaging chemistry.

### CHALLENGE OVERVIEW

Carestream Health needed to:

- Optimize labor-intensive purchasing procedures
- Minimize errors across a broad and diverse supplier network
- Standardize purchasing processes flow across worldwide locations
- Comply with e-invoicing requirements
- Automate the invoicing process

## The Solution

Carestream deployed the cloud-based Descartes B2B Collaboration solution to automate order management throughout the buying process with suppliers of all sizes, and at every level of technical sophistication. The Descartes solution centralizes supply chain data and directly populates Carestream's SAP enterprise resource planning (ERP) system for POs, acknowledgements, advance shipment notifications (ASN) and invoices.

The Descartes solution provides cost validation against POs to ensure accuracy and reduce errors, eliminating Carestream's previous challenges with matching POs and invoices. By automating ~38,000 invoices per year, the company has realized annual savings of ~US\$400,000. And, with dramatically fewer blocked invoices, Carestream has recovered ~20,000 hours of productive time annually, totaling over \$600,000 in total annualized savings.

The solution also allowed the company to create a common labeling system for suppliers. The ability for vendors to produce labels for inbound shipments from a central platform accelerates the receiving process. Carestream now enters goods receipts automatically by reading barcodes that include a lot number, which is important for raw material buyers. Vendors can also generate labels for shipments that combine POs. In addition, for blanket POs, Descartes B2B Collaboration helps Carestream replenish product when it is required. With the ability to rapidly call-off stock, the company minimized excess inventory and reduced the amount of administration required to process multiple POs.

To date, Carestream has connected almost 1,500 vendors worldwide to the solution using either web-based connectivity or EDI, including tight integration with European and Chinese suppliers. With enhanced supply chain collaboration, visibility and process automation, Carestream has removed lower value tasks and communication from its supplier and customer interactions in favor of much more rapid, cost-effective and error-free transaction management. The solution also allows Carestream to customize business rules. For example, goods can be received before invoice receipt. This means that inventory is rapidly made available to fulfill customer orders instead of waiting on administrative processes.

The Descartes solution also provided Carestream with a platform to meet compliance obligations in the European Union by transmitting electronic invoices to suppliers. Since replacing manual, paper-based invoicing practices, e-invoicing has spurred many additional benefits for the company, such as driving significant cost-savings, accelerating the order to cash cycle, improving the analysis of buying practices, increasing the efficiency and accuracy of AP processing and enhancing visibility from the minute an e-invoice is generated until payment is received.

## The Results



### Reduced Costs

By improving the efficiency of the purchase-to-pay cycle with the Descartes solution, and integrating it with the company's SAP ERP system, Carestream automated ~38,000 invoices per year for a savings of ~US\$400,000.



### Accelerated Receiving Process

By providing vendors with the ability to generate a common barcode label on all inbound shipments, the Descartes solution has helped Carestream to create a faster and more accurate receipt process.



### Improved Supply Chain Visibility

The Descartes solution speeds up the order-to-cash process, which reduces outstanding debt and releases working capital for reinvestment. Carestream now has 100% acknowledgement on POs and PO changes, and has improved production planning using ASNs from vendors.



### Automated E-invoicing & Compliance

With the integrated, on-demand TrustWeaver service that monitors changing e-invoicing requirements in more than 60 countries, the Descartes solution helps Carestream automatically sign and validate invoice documents from its European customers.