

Communication, expertise and flexibility are key as Kelros helps ease the purchasing process for Masterlease.



Masterlease

As one of the leading fleet specialists in the UK, Masterlease Ltd, formerly known as Interleasing, is responsible for sourcing and managing around 100,000 vehicles. A subsidiary of General Motors Acceptance Corporation (GMAC), the global financing arm of General Motors, in 2005 it was named "Best Contract Hire Company" by Fleet News. A company of the size and reputation of Masterlease not only has the buying power and flexibility to meet the fleet requirements of any organisation, but also to get the best deal on its own capital and office materials requirements. From telephones and computers to paperclips and stationery, Masterlease's annual expenditure runs into millions of UK pounds (£15m 2004). For each purchase a purchase requisition has to be made, annually thousands are raised, processed and checked against goods delivered and invoices received from suppliers. Masterlease enlisted Kelros to help build and implement a Purchase Requisition (PR) System that allowed users to raise requisition items from IBM Lotus Notes and would integrate with SAP.

The Business Need

Masterlease's purchase requisition process came under scrutiny along with every other financial process in 2003. Two technical drivers were behind this: GMAC had adopted a global SAP Financials strategy and the existing system used within Interleasing (as it was known) was likely to become unsupported.

Project Leader at Masterlease, Christina Roberts, explains, "This led to a review of the entire financial solution and a reassessment of the applications surrounding it, including purchase ordering. This was previously a stand-alone application that required double data-entry and ran the risk of input error."

The review identified the need to provide multiple sites using Exchange, web browsers and IBM Lotus Notes with a new Purchasing Requisition approval workflow system that could automatically update Masterlease's SAP Purchase Ordering system.

The Solution

The company turned to Kelros to help determine and deliver the solution. According to Christina Roberts, "the decision to engage Kelros was an easy one to make. We had a good experience of working with them on a project at smaller sites, Vauxhall Leasing and Saab Contract Hire." Masterlease wanted a solution that would be quick and easy to deploy, with minimal disruption for users operating the new solution, "IBM Lotus Notes was already used for email and our knowledge-store database." Christina explains, "We wanted a tool that people would be familiar with."

After drawing up a set of requirements Masterlease called in Kelros for further discussion. Christina Roberts says, "Our account team at Kelros really made the effort to understand our business and the way we wanted the solution to work. They suggested ways we could



make the solution more dynamic, effectively future-proofing it for when requirements and technologies change." Christina and the Masterlease team were impressed with this refreshing approach. "We felt they made the effort to design and deliver the right solution for us, rather than just a solution."

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Using its off-the-shelf procurement solution as a base, Kelros added key functionality in a bespoke development to augment the Supplier Details and Purchase Requisition approval routing already in the packaged solution. The Purchase Requisition system allows end-users to raise requisitions from approved

suppliers in the repository. These are then email alerted to the relevant Exchange and IBM Lotus Notes users for approval. Once approved and completed, the requisition data is automatically transferred into the SAP system via the creation of iDoc interface files – the data structure for electronic data exchange between an application and SAP. LotusScript is deployed to put the IBM Lotus Notes data into the format required by the SAP financial system.

No project is without its hurdles as Masterlease and Kelros discovered when the specification of the interface formats for SAP changed. GMAC's SAP Business Competency Center worked directly with the technical consultants at Kelros to establish the correct formats and standardise them across GMAC. Christina Roberts explains, "Sheer determination on everyone's part got the formats standardised. Kelros' deep understanding of our business certainly helped – as did the dynamic code written by their technical experts."

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The Outcome

Today Masterlease benefits from a cost-effective Purchase Requisition Approval system that provides:

- Email alerts for approvers
- Restricted supplier lists
- Access from IBM Lotus Notes clients
- Automatic update of SAP supplier information
- Automatic input of approved requisitions into the SAP purchase order system.

Along the way valuable lessons were learned, as Christina Roberts says, "Overall the project taught us that there are always requirements that come up unexpectedly, and you have to write resource (people, time and money) contingency in. The greatest strength that a team needs is communication. You need a high level of trust in the people you are working with and a belief that they are working on your behalf. We have certainly found that with Kelros."

The Benefits

Both before and after the Purchase Requisition solution was implemented a questionnaire was sent to people within Masterlease who raised and approved, purchase requisition and who checked and paid invoices. The results highlighted a number of benefits – even after a relatively short period of 'bedding in'.

The percentage of respondents who found it easy to raise a requisition leapt from 41% to 73%. Every person responsible for approving requisitions was able to do so in less than one hour a week after the implementation, compared to just one third before, with 94% finding it easy, up from 63%.

Additional Sarbanes Oxley Compliance Benefits

Clearly, simplifying a process and freeing people's time are important benefits. The project development by Kelros also tightened up areas such as entering supplier data, with the benefit to business that the data is more robust. Additionally, the Purchase Requisition approval solution enables Masterlease to fulfil its compliance requirements. As Christina Roberts explains, "Our US parent, General Motors, has a responsibility to the financial regulators and must comply with Sarbanes Oxley. The visibility of suppliers, invoices and transparency of our process that the Purchase Requisition provides helps us be more compliant."

Summary

Working with Kelros enabled Masterlease to deliver to its Purchase Requisition users, a robust and comprehensive solution that truly reflects the business needs and objectives of this large fleet management company. The solution, which was a combination of an off-the-shelf packaged solution with some specialised bespoke tailoring, is the result of good communication between all team members, a 'can-do' approach to technical challenges and the flexibility and confidence that an experienced team like Kelros can deliver.

Built with IBM technology, Kelros solutions are easy to deploy, customise and use. Currently accessible from the IBM Lotus Notes client and the Web, ongoing initiatives will take the Kelros modules onto both IBM WebSphere Portal and IBM DB2 to provide customers with greater choice. Kelros' application licensing model ensures all solutions are sold on a per company basis rather than a per seat basis. Kelros applications are certified to run on Linux.

Kelros is an IBM strategic alliance partner and an IBM ISV Advantage partner, provided with technical and marketing support to help meet information technology needs of SMB companies. Kelros is an advanced member of IBM's PartnerWorld Industry Networks (PWIN) for ISVs providing solutions that integrate enterprises, customers and supply chains. The PWIN initiatives accelerate teaming between Kelros and IBM to provide leadership in this growth arena.

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