

CENTRALIZED ACCOUNTS PAYABLE SOLUTION GENERATES AWARD-WINNING ROI

THE COMPANY

Pepco Holdings Inc. (PHI) is one of the largest energy delivery companies in the mid-Atlantic region. Its three regional public utility companies, Delmarva Power & Light, Atlantic City Electric, and Pepco serve about 2 million customers in Delaware, the District of Columbia, Maryland and New Jersey.

PROBLEM

Pepco Holdings International (PHI), one of the largest energy delivery companies in the mid-Atlantic region, wanted to centralize its accounts payable processing to increase efficiencies and lower processing costs. The company had grown gradually through acquisition, and as a result, was receiving, reviewing, approving and processing invoices at more than 20 locations in four states and five jurisdictions. The accounts payable processes were disjointed and very manual, which increased the company's cost of paying invoices and made it difficult to stay in compliance with the highly-regulated industry's stringent data retention requirements.

SOLUTION

As part of PHI's Invoice Improvement Project (IIP), the company implemented Dolphin's Process Tracking System for Accounts Payable (PTS-AP) solution, for the following key capabilities:

- Advanced imaging and digitization of invoices
- SAP-enabled workflow solutions to automatically post or route invoices based on the company's multi-tiered corporate approval policy
- Centralized, efficient storage of invoice images for easy access
- Vendor portal access for self-service invoicing and online inquiries
- Real-time analytics and reporting on invoice processing metrics for productivity, cash flow, and status tracking.

The solution was rolled out across all three of PHI's utility companies, Delmarva Power & Light, Atlantic City

Electric, and Pepco, in a comprehensive process-driven initiative unlike any other accounts payable project in the utility industry.

RESULTS

The company was able to achieve over \$3 million in savings for 2014 – an incredible return on investment. Mary Gabriel, Manager of Accounts Payable and Sarbanes-Oxley stated "Enhanced controls, increased transparency and shortened cycle times are a direct result of the process-centric innovation the Dolphin solution provides". Key results include:

- Reduced the average invoice processing time from 30 days to less than 10
- Automated the processing of low-dollar, high-volume invoices
- Improved reporting and compliance with regulatory requirements
- Reduced document storage fees by 39% for savings of more than \$100,000 each year
- Captured \$1.9 million in early payment discounts in the first year

In June 2015, the company received the Supply Chain Excellence award from Southeastern Electric Exchange for its innovative Accounts Payable project.

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