



# Case Study

## S&P 500 Diversified Manufacturer

S&P 500 Diversified Manufacturer automates communication and data collection with a non-respondent supplier population. Significantly reduces risk, costs and labor.

# Case Study: S&P 500 Diversified Manufacturer

## By The Numbers:

Revenue: **\$3.7 billion**  
Spend: **\$2.9 billion**  
ERP Systems: **Oracle Peoplesoft and Infor (GEAC)**  
Industry: **Manufacturing**  
Products: **Recovery & SIM**

## Results to Date:

Duplicate Suppliers Identified: **20%**  
Lavante Recoveries: **\$574,485K**

### The Company

A large S&P 500 diversified manufacturer that designs and produces a broad variety of engineered components and products. The company is comprised of 20 business units, 18,000 employees, and 130 manufacturing facilities located worldwide.

### Problem/Situation

The company has grown significantly over the years through organic sales as well as through acquisitions. Through this process it has developed multiple disparate ERP systems and as a result the supplier population has become more difficult to manage, resulting in many duplicate and inactive suppliers. Of particular distress to the AP department was a sub-set of suppliers that were “impossible” to communicate with. This group of suppliers was receiving payments, but was non-compliant in providing regulatory information such as valid Tax Identification Number (TIN) or other related information. The client had a painful history of spending time and manual effort on the fruitless solicitation of such information. This was expensive in terms of both dollars (B-notices, wasted labor) and frustration.

### Lavante’s Solution

Lavante had the flexibility to isolate a “trial” subset of suppliers with bad or no TIN and no W-9 or W-8 on record. In the initial analysis phase Lavante identified 15% duplicate suppliers in the vendor file and used the data to successfully target a more accurate set of suppliers. This rationalization of duplicated suppliers minimized future payment errors and reduced data management overhead. Lavante utilized its patented communication platform and a database of over 2 million suppliers to re-solicit TIN and profile updates from the sub-set of troublesome, non-respondent suppliers.

### Results

Suppliers were able to utilize Lavante SIM (Supplier Information Management) to upload W-9, W-8 and other relevant TIN information. The Lavante application provided automated

workflow to validate 100% of the data at the IRS website without the need for any manual labor from the company whatsoever. The first management reports were populated automatically immediately after the outreach and the customer end-users were able to track the progress over time. Where the company had been repeatedly unsuccessful in reaching out to the set of non-respondent suppliers, Lavante was able to drive over 30% compliance in the first week alone.

### Future Plans

The approach has been such a success that the company has opted to include their entire supplier population. In addition to collecting W-9s, W-8s and TIN information from non-compliant suppliers it is now utilizing Lavante SIM to manage data clean-up for all existing suppliers. This large customer can now access: verified TIN; diversity data; various necessary certifications; payment and terms data; contracts; supplier contact information; supplier hierarchy details; and much more. Lavante is providing cleaner supplier data along with a unified supplier ID to reduce the ongoing incidence of duplicate suppliers. The plan also includes full workflow enabled on-boarding of new supplier in an automated fashion. The continuously updated supplier information will be the foundation for the company migrating to a new version of Oracle ERP next year.

Lavante SIM has been implemented alongside the Lavante Recovery product; in this product bundle there is no estimated annual net out-lay of cash required from the client. The Lavante Recovery application provides funding on a monthly basis to cover costs associated with Lavante SIM application.

“I am excited about Lavante SIM. First we get our vendor master cleaned up by having it identify duplicates, verify addresses and TINs, and do regular OFAC screening. Then we have an easy way to launch vendor programs through its communication tool and handle dispute resolution too. Someday we will use it as a sourcing tool. It’s a dream come true for AP and Purchasing.”

- Dawn Trujillo

Senior Manager Accounts Payable, Leggett & Platt