EPICOR

Pine State Trading

Overview

- Location – Gardiner, Maine
- Industry – Beverage Distribution
- Website – www.pinestatetrading.com

Challenges

- **Simplify and centralize AP operations while automating workflows for improved efficiency and operational visibility**

Solution

- **Epicor® ECM AP Automation**
  - **Epicor® ECM Advanced Workflow**
  - **Epicor® ECM Datalink**
  - **Epicor® ECM Application Integrator**
  - **Epicor® Intelligent Data Capture**

Benefits

- **Automatic PO matching supports "touchless" straight-through AP processing, eliminating the need for human intervention**
- **Workflows streamline previously paper-based and manual routing for payment approvals, eliminating lost invoices and delayed payments**
- **Greater efficiency supports the processing of more invoices for more vendors with fewer staff**
- **Improved reconciliation of depletion allowances**

Epicor and PiF Technologies Blaze the AP Automation Trail for Pine State Trading

Half of all invoices are now processed in a touchless manner, with improved end-to-end visibility, validation, and significant return on investment

Founded in 1941, Pine State Trading is celebrating 80 years in business in 2021. Pine State Trading is Maine's leader in the marketing and distribution of beverage products. Its companies – Pine State Beverage and Pine State Spirits – deliver brand name and private label beer, wine, and spirits to a customer base that is 2,000 strong and growing.

Accounts Payable Targeted for Digital Transformation

When CFO Gary Grunewald first arrived at Pine State, he saw inefficiencies within the organization and knew changes needed to be made. Coming from an IT background, Grunewald understood the value of investing in digital solutions to improve an organization.

Accounts payable automation was one of the first digital transformation projects identified to help the company become more efficient and profitable. "The number of employees processing invoices was significant and processes were inefficient – not to mention the time and energy required to handle the extensive volume of phone calls from suppliers and vendors due to lost invoices or late payments," Grunewald said.

Employees would enter invoices by manually keying them into the company's Microsoft Dynamics SL enterprise resources planning (ERP) platform. Prior to implementing workflow automation they had a manual process, ECM allowed them to create workflows to handle the different types of invoices they had – inventory with freight, inventory without freight, freight invoices, and non-inventory invoices. Once the designated workflow was completed, the invoice was then printed out with a cover sheet stapled to the top before it was physically circulated throughout the company to obtain the necessary approvals.

> ## "Our AP automation solution has done everything PiF promised and more, and we were up and running quickly."
>
> —Gary Grunewald, CFO

These invoices would physically travel from Maine to as far as Syracuse, NY, and many times, get misplaced along the way. The invoices would also sit in physical in-boxes awaiting processing for weeks, and this harrowing journey was only the start of the paper chase.

Fast-forward to the archival process, where company personnel would hope paid invoices were documented correctly before being stored in a banker's box, on a pallet, and in a designated slot in a warehouse. When the company amassed 20 pallets of boxed invoices in one storage location alone, Grunewald knew there had to be a better way. "Our AP operations were screaming for a product like DocStar," Grunewald said, in speaking about the solution now known as Epicor ECM AP Automation.

Partnering with PiF Technologies for Professional Services

Pine State found the answer to its AP challenges in Epicor ECM AP Automation and implementation services from PiF Technologies, based in Manchester, NH. The solution simplifies the procure-to-pay process by providing digitization and workflows to capture, route, approve, pay, and archive invoices with greater efficiency, accuracy, and visibility.

Pine State partnered with PiF Technologies for its Epicor ECM AP Automation deployment, systems integration, and ongoing service and support. PiF Technologies' expertise lies in its ability to design, deploy and support complex, fully integrated solutions with workflow automation, artificial intelligence including intelligent data capture, smart web forms, robotic process automation, and cloud hosting.

Grunewald considers the Professional Services team at PiF the "A-team" and "such a huge asset" to the long-term success of their solution. Pine State's initial investment was just for Non-Inventory Purchase Orders, and after seeing the success for just one part of their process, they expanded it for Freight and Non-Fright Purchase Orders. Eventually, they expanded their investment to include electronic forms which provided additional functionality and simplified the data entry process.

PiF is a long-time Epicor partner that has helped customers leverage the latest digital solutions to transform their business processes for 25 years. The company supports a broad range of customers such as The Kraft Group (New England Patriots), internationally known clothing retailer Vineyard Vines, as well as other beverage distribution businesses, such as New Hampshire Distributors, Amoskeag Beverages, Federal Distributors, and Burke Distributors.

Many of PiF's distribution customers use VIP, a system of route accounting specifically designed for beverage distributors. Regardless of the Enterprise Resource Planning software used, PiF can easily integrate. Along with Microsoft Dynamics SL, VIP was a crucial system of record that Pine State needed to have integrated into Epicor ECM AP Automation. PiF specializes in implementing robotic process automation for seamless integration with any ERP, including Microsoft Dynamics, Sage, VIP, Macola, JobBoss, and Global Shop.

Greater Visibility, Improved Validation

"Our AP automation solution has done everything PiF promised and more, and we were up and running quickly," Grunewald said. With Epicor ECM AP Automation, Pine State now has visibility to validate all steps across the invoice processing continuum and easily find answers – i.e. Was the invoice received? Was it approved? Was it paid? And with what check number and date?

Improved end-to-end AP processing visibility has also helped Pine State in reconciling depletion allowances. This is a common practice with major beverage vendors which offers sales incentives based on depletions where distributors are credited by a set amount (such a $1 per case) for depletions during a set period of time.

Another area that was previously difficult to account for were instances where a supplier would automatically deduct funds from Pine State electronically, rather than invoice them, in occurrences referred to as "prepaids" in the industry.

"In some instances, we were trying to reconcile these credits and expenses that were a year and a half old. Now it takes a day or two and we are able to stay on top of this accounting with 100 percent of these expenses captured in the system."

Quantifying Return on Investment

"Our beverage distribution business has grown in complexity since 2016; today we are processing more invoices for more vendors with fewer staff," Grunewald said. "Previously, we had four employees devoted to AP processing, and today that headcount has been cut in half, down to 2. Additionally, the PiF solutions allowed us to change our month-end closing process, and have contributed to us closing our month in 2 days, which used to be a 10-day process. Using these factors as the basis of our return-on-investment assessment, the payback on our AP automation initiative was 18 months, tops. We experienced a very fast payback."

With the system's automatic purchase order matching, almost all of Pine State's 4,000 invoices per month are now processed via automated workflows that require no human intervention. "If the PO matches, the process is completely touchless and it's very rare when a supplier has to call with a query about an invoice," Grunewald added.

As an added bonus, having a cloud-based AP automation solution in place helped Pine State support business continuity during the COVID pandemic as the company transitioned to a remote work model. "It enabled us to support invoice approvals and I can't imagine how we would have done that without this technology in place," Grunewald said.

EPICOR

We're here for the hard-working businesses that keep the world turning. They're the companies who make, deliver, and sell the things we all need. They trust Epicor to help them do business better. Their industries are our industries, and we understand them better than anyone. By working hand-in-hand with our customers, we get to know their business almost as well as they do. Our innovative solution sets are carefully curated to fit their needs, and built to respond flexibly to their fast-changing reality. We accelerate every customer's ambitions, whether to grow and transform, or simply become more productive and effective. That's what makes us the essential partners for the world's most essential businesses.

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