



SAP Concur 

Digital transformation of financial processes just the start for **CITIC Pacific Mining**

Implementation of Concur Expense and Invoice paying dividends and setting the direction for greater efficiency improvements as this mining company consolidates its massive 40-year Australian investment.

THE BEST RUN



Quick Facts

Company Name

CITIC Pacific Mining

Solutions

- Concur® Expense
- Concur Expenselt® Pro
- Concur® Invoice
- Concur Expense Claim Auditing

Industry

Mining

Company Size

1,500 employees

Location

Australia

Why SAP Concur?

- Removal of manual processes and reduced paper flow
- Automation and SAP integration generating significant time savings and efficiency gains
- Better employee experience through more convenient system and quicker expense reimbursements
- More strategic decision making for greater visibility of business spend
- Freeing up Accounts Payable team to focus on value-added tasks
- Extension of functionality to mobile devices

ABOUT CITIC PACIFIC MINING

CITIC Pacific Mining (CPM) is a wholly-owned subsidiary of Hong Kong listed company CITIC Limited. Headquartered in Perth and employing approximately 1500 people, CPM manages the construction and operation of the Sino Iron project, an integrated mining, processing and port operation that will secure a long term stable source of quality materials for steel mills in China. The massive Sino Iron project has been developed at Cape Preston, 100 kilometres south west of Karratha in Western Australia's Pilbara region. Over the duration of this 40-year project, Australia's largest magnetite mine will spend approximately \$51 billion in procurement of WA goods and services.



An opportunity for digital transformation

CPM has established a landmark mining project in Australia, one that is expected to generate total export earnings for Australia in excess of \$100 billion and make a significant contribution to the WA community.

CITIC Group is very proud that Sino Iron is at the forefront of the rapidly-developing socio-economic relationship between Australia and China, and places significant store on the positive engagement CPM has with its employees, contractors and suppliers. With a key business driver around innovation, CPM identified that automation of its expense management and Accounts Payable processes would not only create greater business efficiencies but would also have a positive impact on both its employee and supplier relationships.

Prior to Concur, CPM relied on highly manual, paper-based processes for both Accounts Payable (AP) and expense management.

Employees were required to fill in and print out an expense claim form, attach their receipts and send for approval. With a lot of fly-in fly-out (FIFO), remote and travelling staff and approving managers, that caused delays in reimbursement. Also, out-of-pocket and credit card expenses were managed in two different systems.

Both expense claims and paper-based vendor invoices were inputted manually into CPM's SAP ERP system, which was time-consuming, error-prone, as well as not environmentally friendly due to the need to print and store paper copies of each document. CPM was processing on average 4500 invoices and 90 expense claims every month.

After evaluating a number of options, CPM made the decision to implement Concur Expense and Concur Invoice to automate both sets of processes. That included integration with SAP and CPM's HR database and corporate card provider. The Concur® Expense project was completed in May 2016 and Concur® Invoice went live in October that year.

“Our employees have embraced the transition and changes really well, using Concur on their desktop and mobile devices to capture and submit their expenses in a timely fashion.”

Pablo Nico, Accounts Payable – Project Supervisor, CITIC Pacific Mining

Timely reimbursements

As a result of the implementation of Concur® Expense, reimbursement times for CPM's employees have been shortened by up to 70%, as expense approval workflows have been automated and approvals can be completed by managers remotely.

CPM integrated both out-of-pocket and corporate card expenses at the same time. The system takes a data feed from CPM's corporate card provider, automatically pre-populating each user's expense report for review and submission of each expense item.

The project built an automated process between CPM's HR database, SAP ERP and Concur to set up 'employee vendors' in the system to further streamline the reimbursement process.

CPM has also rolled out Concur Expenselt, allowing users to capture and upload their paper receipts into the Expense system using their smartphone cameras.

"As part of the rollout, we put a lot of importance on training. Our society is currently in transition between paper and digital, and we have a diverse workforce so it was important that we showed our users how to do it," said Pablo Nico, Accounts Payable – Project Supervisor, CITIC Pacific Mining.

While CPM undertook one-on-one training focused on key users of the system, Nico also pointed out that Concur's intuitive user interface made it extremely easy for end users from the entire company to submit, review and approve expense requests.

"Our employees have embraced the transition and changes really well, using Concur on their desktop and mobile devices to capture and submit their expenses in a timely fashion," said Nico.

"Our managers are also happy to use Concur, as they are quickly and easily able to verify and approve or reject employee expense claims instead of having to deal with paper-based forms."

"Concur is allowing us to focus on more value-added work such as reconciling vendor statements, making payments within the agreed payment terms, and removing the need for manual data entry."

Pablo Nico, Accounts Payable – Project Supervisor, CITIC Pacific Mining



Greater financial control

Since the implementation of Concur® Invoice, CPM has reduced the invoice processing cycle time from 23 days down to potentially four days. Concur® Invoice integrated with SAP has reduced the delay in postings in SAP by an average of 50% as compared to manually posting in SAP.

Processing through Concur has allowed CPM to start a journey with RPA (robotic process automation) projects that might lead a major reduction in manual invoice matching, invoice printing and manual review, allowing the team to focus on more value-added tasks.

Up to 80% of all invoices received are expected to pass through the process without any manual intervention and all paper-based invoices received are now automatically entered into Concur® Invoice and on to SAP using Concur Invoice Capture. Concur's optical character recognition (OCR) technology scans printed or faxed invoices to automatically populate a payment request. CPM's AP staff only needs to review the results online and then click to add the invoice to the processing workflow.

“Concur is allowing us to focus on more value-added work such as reconciling vendor statements, sorting vendor queries quickly, making payments within the agreed payment terms, and removing the need of manual data entry,” said Nico.

That has ensured that CPM is meeting its agreed invoice payment terms, and the overall improvements in AP processes have translated into better rapport with CPM's vendors.

By automating and digitising some of its manual AP processes, CPM has also gained greater visibility on its spending, enabling better decision-making and more control over its finances. As a capital intensive business undertaking a massive infrastructure project, Concur is playing a key role for CPM in managing its costs.

Invoices scanning, OCR and the upcoming RPA projects are the key elements to timely and efficient processing. Concur has helped CPM with the invoice capture, and the RPA will follow to turn AP into 24/7-365 days processing.



Translation an unexpected benefit

CPM is also using Concur's Expense Claim Auditing service to ensure its employee expense claims are compliant with Australian tax requirements and CPM's own travel and expense policies. This has improved overall compliance and reduced the administrative overheads on CPM's managers, freeing them up to focus on more strategic tasks.

However, Concur's audit service has had an unexpected but significant additional benefit. With CPM staff travelling frequently to China, processing receipts in Mandarin often caused difficulties.

"We used to have to get someone internally to do the translations for us before we could code the receipts to the correct expense type and submit the claims," said Nico.

Now, native Mandarin speakers from Concur are completing the translations and coding as part of the audit review process, presenting CPM's approvers with the English versions and valid expense codes of every receipt submitted.



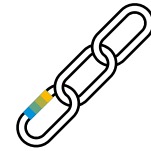
Concur Travel on the agenda

Since implementation, CPM has been impressed with Concur's intuitive user interfaces and the minimal training that has been required for employees at all stages of the process for both Concur Expense® and Concur® Invoice.

As a result of user acceptance and take-up of these systems, CPM is now well underway to complete the implementation of Concur® Travel later in 2018. This will give the organisation an end-to-end, integrated travel and expense management solution for its employees.

There are also projects in development for further automation of CPM's invoice processes with greater integration between its SAP ERP and Concur systems. These improvements include a central reconciliation tool, and automation of payment runs to suppliers. This will see further efficiency gains enjoyed by the organisation from its ongoing digital transformation strategies.

Why SAP Concur?



CONNECT TO A SINGLE SOLUTION

SAP Concur integrates all of your organisation's travel, expense and invoice data, so you get a single view in one solution.



SEE HOW YOUR EMPLOYEES ARE SPENDING

SAP Concur provides visibility into total spending down to each detailed transaction, so you can correct policy violations before spending occurs, better manage budgets and forecast more accurately.



SIMPLIFY THE PROCESS

SAP Concur takes the work out of travel and expense management, making details and processes effortless, so it's easier for everyone to focus on what matters most.

CS Citic Pacific AU (19/06)

© 2019 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platform directions and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. See <http://www.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.