



BASWARE AUTOMATES PROCUREMENT AND FINANCE FOR THE CITY OF HELSINKI



Basware's Purchase Management and Invoice Automation solutions have been catalysts for service center success: automated invoice and order matching has delivered a more streamlined organization, while increased transparency has helped regulate and improve the competitive tendering process.

Back in 2005, the City of Helsinki announced ambitious plans to manage all its financial operations from a centralized shared service center. The challenge was to automate its entire procurement and processing of the purchase invoices – over 560,000 invoices worth over two billion Euros per year, from more than 12,500 suppliers – to make this vision a reality.



Harri Numminen, Service Manager and Kari Gröndahl, Development Manager at City of Helsinki

But public sector procurement is a complex operation. Virtually all purchases are indirect, requiring specific sector skills (such as healthcare) making it a challenge to centralize. Thousands of city officers in more than 30 locations were placing orders by phone and maverick buying was a fact of life. Control, purchase transparency and order tracking seemed an impossible dream.

Enter Basware and its Purchase Management and Invoice Automation solutions – systems that have allowed the City to automate processes and manage the huge volume of transactions it oversees.

According to Harri Numminen, Service Manager at City of Helsinki, these automated solutions had been eagerly awaited and delivered immediate impact:

"Basware Invoice Automation is an important contributing factor in enabling process improvements and the centralization of operations in the service center."

While cost reduction and working practice improvements were key, the level of spend and the thousands of corresponding invoices demanded the highest possible levels of platform stability, reliability and accuracy. To meet these goals the City took the decision to purchase the Basware solutions on a Software as a Service (SaaS) basis. This arrangement means Basware is responsible for the maintenance and administration of the software – allowing City officers to focus on their core competencies. Critically,

Customer

Name
City of Helsinki
Sector
Public sector
Location
Finland

Challenge

- Complex and costly Purchase-to-Pay processes
- Over 560,000 purchase invoices processed yearly
- Lack of information transparency and accessibility

Benefits

- Vastly improved information transparency on the entire Purchase-to-Pay process
- Assured quality through Software as a Service
- IT Resources freed to add additional value

with no maintenance or support requirement, additional IT budget and resource is free to deliver projects that add value to the business.

Invoice and Order Matching

The automated procurement solution is now used by around 6,000 city employees spread across thirty different offices. Due to this high number of end-users it was essential the system was intuitive and easy to use.

Users search for products before creating a purchase requisition that is sent for approval. Following approval, the requisition becomes an order, which is then sent to the supplier. When an invoice for the order is later received, the Basware Matching solution automatically matches it with the approved purchase requisition based on predetermined criteria.

Numminen comments:

"Basware solution is a functional prerequisite for the service center. Electronic order data is a great leap forward and each additional matching percentage delivers significant gains for the service center."

Improving the Tender Process

The City of Helsinki's procurement center concentrates on competitive tendering processes, drafting agreements and providing offices with guidance on matters related to procurement. Following the adoption of the Basware solutions, processes



Jorma Lamminmäki, Head of Procurement at City of Helsinki

began to improve and comprehensive transparency and accountability became possible.

Understanding of these processes has now evolved and competitive tendering has become more efficient. Now up-to-date information on the City's thousands of purchases is available through the procurement center.

Moving Forward

With Basware a proven success, the City of Helsinki plans to match order and invoice with the contract – a move, it is hoped, that will generate critical information to support competitive tendering and make it possible to link payments to intermediate goals.

Jorma Lamminmäki, Head of Procurement, concluded:

"When organizing public tendering, there is often little time for preparations and many demands. After taking the system into use, transparency has been enhanced and tendering competitions have become more systematic."

Basware solutions adopted

- ✓ Basware Invoice Automation
- ✓ Basware Purchase Management

HELSINKI

Helsinki, the capital of Finland, has a population of approximately 564,000. It employs 38,000 people spread across 35 departments. Procurement is conducted by 6,000 employees and 50 professional buyers located in 30 offices.

www.helsinki.fi

Basware is the global leader in purchase-to-pay solutions with more than 1,500 customers and 1,000,000 users in over 50 countries around the world.

Basware solutions are distributed and implemented in Europe, the US, and Asia-Pacific through an extensive network of Basware offices and business partners.

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