



Lowes Menswear Case Study

About our client, Lowes Menswear

Lowes Menswear is a leading Australian menswear and schoolwear retail chain offering well-made clothing at affordable prices. As a family-owned business, Lowes is part of a small but elite group of companies, that has been in business for 123 years and are still 100% Australian owned. For over a century, the company has been built on integrity, forward planning and financial success. Today, with over 190 stores nationwide, it continues to expand steadily as it has for many years.

Lowes processes approximately 30,000 invoices every month and, at the time of writing, were on Pronto Xi version 750.1. The majority of the Lowes purchases are for inventory to service their Customer base which is either stored in one of their warehouses or direct shipped to the store.

Why did Lowes Menswear approach Redmap?

“Our invoices were received at the stores with the goods and, in large part, in paper form. That created a huge amount of work and cost just getting the invoices back to HQ for entry into Pronto Xi and payment. It would not be uncommon for the invoice to take 3-6 weeks to get back to HQ for payment,” said Jim Kondonis (Lowes, Chief Financial Officer).

“The paper invoices really caused issues for us, so much so that one of the KPI’s to tell us how far behind we were, was measured by the volume of invoices in the Australia Post tubs. It was not uncommon for us to have seven large tubs full of invoices that had yet to be processed, and that really impacted staff morale. We tried to go use scanning the invoices at the store to try and remove the paper but store staff really pushed back on us, because they were stretched as it was,” said Peter Vourakis (Lowes, Financial Controller).

What did Redmap do?

Lowes have a tremendous volume of inventory flowing in and out of their 190 stores each day. Lowes have made many modifications to Pronto to manage the business which made for a complex implementation.

As with all Pronto implementations Redmap’s best practice for Pronto Xi was implemented at Lowes as a base system to meet their requirements. This allowed Lowes to process both PO and Non-PO invoices straight out-of-the-box. Invoices are sent to an email address provided by Redmap, the data is automatically extracted, and this data is used to determine if the invoice is automatically posted or sent to someone for their approval. Once posted, a link is automatically created to the source document, for ease of downloading in the future.

Then the modifications began!

“I know that we do things differently at Lowes. I recognised that Redmap had the most comprehensive understanding of Pronto Xi in the market, which would be helpful. However, I knew we would encounter issues in the implementation that even Redmap hadn’t seen. I selected Redmap because the way they engaged with us during the sales process suggested to me that they would work with us to get it right. That relationship quality is something that I look for in all my Vendors and I am delighted to say that Redmap outperformed my expectations. As an example, at one stage to solve a problem, our Redmap business analyst visited one of our stores on a weekend, to see what they were doing to understand the issue. That’s commitment,” said Jim.



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What did Redmap do?

(continued)

Lowes have configured Pronto Xi to auto-replenish goods on a weekly basis and have made modifications to the PO process to automatically split the consolidated PO into a suffix for each store so that the Vendor can ship the goods directly to the store.

This presented a challenge to Redmap as the volume of available receipts to match an invoice to was high and the team in the stores had challenges with this receipting from time to time. Initially it made for a very high mis-match rate on the first effort to match invoices to receipts.

“Our first challenge when we went live was the rate of exceptions that we were suffering. Our team was stretched with their BAU role let alone resolving the issues and it was a tense time. Redmap took us through them by grouping them and finding common issues and what was surprising to me was the number of issues that were created by the Vendor and their ERP system. We saw items that humans had learned to ignore that the automation platform could not, items like invoices not adding up. But we worked through it and the exception rate is under control today,” continued Peter.

As one can imagine, the Lowes price catalogue consists of tens of thousands of items and keeping it up-to-date is a constant battle. One innovation Redmap developed as part of the implementation was to perform a secondary check of the catalogue, after invoices have been approved. This process seeks to confirm that the catalogue has been updated as part of the invoice resolution to ensure that the same issue does not present another 189 times for that purchase.

What was the outcome for Lowes Menswear?

“What was interesting to me was the amount of errors/exceptions the team would work through on a daily basis. One such example was receipting of the goods. There was a level of inaccuracy in some stores that was clearly not acceptable. Our automation project has highlighted this and allowed us to execute other projects aimed at streamlining such processes. We would not have been able to do this without the visibility provided by Redmap.

“In hindsight the irony is that we were spending more on mail bags getting invoices from the store to HQ than the entire automation solution with Redmap costs us”.

“At the end of the day one of our main goals with this project was to minimise the effort required by the store staff in the AP process. We have achieved that, and in line with doing so we have sped up the invoice processing, the payment to suppliers and eradicated the (literal) mountain of paper flow in terms of handling and storage. A Win, Win for all”, concluded Jim.