professional advantage

THE NET-A-PORTER GROUP

Luxury British online retailer is using the iPOS workflow and e-procurement system to support its global ambitions

About Net-A-Porter

Net-A-Porter is a leading London-headquartered online fashion retailer that sells luxury designer brands via its award-winning shopping site. Millions buy their designer labels online at Net-A-Porter. The company is carefully presented with a sophisticated magazine look and feel – embodying the successful vision of its founder, Natalie Massenet, of offering a different, exclusive and satisfying online shopping experience.

A leading online buying destination

Founded in 2000, Net a Porter is in enviably strong growth mode, with three distribution centres in the UK, US and Hong Kong. Employing approximately 1,500 staff, Net a Porter's total revenue jumped 55 per cent to £368m on £238m the previous year (2011), boosted in part by a full year's trading for Mr Porter – its recently launched male equivalent website.

Rapid growth and market acceptance are impressive, but getting there has caused some growing pains for the company. Its finance team had a large workload. For example, as it was dealing with all the ordering and issuing of purchase order numbers manually on a single Excel spreadsheet, so it was often difficult to gain an understanding of the organisation's day to day spending position. The organisation also needs to process around 10,000 purchase invoices per month; it admits that invoices could sometimes get 'lost' in the system – with long delays due to the team handling lots of phone calls and endless paper-chasing. There were also inefficiencies with suppliers, where paper passing exercises sometimes led to latency, too.

"We needed to cut our work load," says Raza Yunus, the firm's Systems Accountant. In response to that need, a decision was made to evaluate a technological solution to address the invoicing and purchase ordering process.

Needs a leading e-procurement solution!

If Net-A-Porter could automate its invoicing and purchase order system, as well as integrate it with its incumbent in-house accounting platform, Infor SunSystems, then the effective tracking of cash flow would become easier for employees. At the same time, finance staff would be enabled to make better and more productive use of their time.

After extensive market evaluation, Net-A-Porter decided to move to Professional Advantage's iPOS e-procurement for Infor SunSystems, from their business partner, Sapphire Systems. The choice was made as iPOS seamlessly integrates with Infor SunSystems for real time updates and Sapphire Systems has the reputation for being the most experienced iPOS partner in the UK, after the product authors.

Notably, the ease of use in taking the invoicing and purchase order process online was one of the key factors affecting the decision. "Obviously you have all the budget controls, and everything is online as well. The way our business is, it's all online, so that's important. I think iPOS is integral to the Net-A-Porter ethos," says Yunus, brought in to manage the implementation of the iPOS system.

"Excluding designers, because designers is more stock related stuff, anything that is non-stock now goes through iPOS" he adds – and efficiency is the order of the day as a result.

A solution 'tailored' to the client's needs

Moving to automation with the iPOS workflow and e-procurement system has involved setting out clear 'rules of engagement' for purchasing by department and team. These new procedures carry the full backing of senior management – and have cut down considerably on the amount of ad hoc purchasing.

"Where somebody made a phone call and placed an order, there was no record of it and no audit trail," recalls Yunus. "But with iPOS, everything gets recorded – even down to invoicing, as we scan all our invoices and attach them."

Electronic procurement clearly helps with online budget checking. Due to the integration levels with Infor SunSystems, Net-A-Porter benefits from a real time feed of all procurement information into the financials. Each team and department is able to access their actual spending to date, against budget. "What the financial in-house team tend to do is hold meetings with the budget holders or department heads every month and go through their figures and budgets on the system," explains Yunus.

That's not all the benefit Net-A-Porter has realised from using iPOS. A stand out for the company is the fact that the system has streamlined many previously cumbersome and paper-based processes. "That is a benefit of having iPOS: everything is online and is available. We are also getting mobile approval using iPOS technology," enthuses Yunus. "Workflow and practices have improved and we're hoping with mobile approvals we should be able to speed things up even further."

For Yunus and other senior finance staff, a move to an electronic system has also simplified the risk of purchasing fraud and improved financial control. "We won't pay your invoices if you don't have our PO number on it. We also have the requesting agent's receipting as well," he adds.

In addition, Net-A-Porter's accounts team can run reports directly from iPOS which means, says Yunus, that, "They're looking at what has been receipted, and what hasn't been receipted. They can chase those up with the requisitioners and query them.

> ❝ *It definitely can help in making sure our costs are okay in the correct period of the month.* ❞

Another benefit: Net-A-Porter has created a link to a document management system, Version 1, available directly from within the iPOS invoice script. That means Net-A-Porter staff no longer have to contact finance to check to see if an invoice has been paid or not, as they can check that directly themselves in iPOS.

Having improved the speed of invoice authorisation, the system has also allowed Net-A-Porter to see who supplies what, to whom, when and where. As a result, it is armed with a consolidated view of supplier spending across the organisation.

Where next?

iPOS and the support provided by Sapphire Systems, in conjunction with Professional Advantage, means Yunus can see a stable basis for further penetration of Net-A-Porter into the markets it serves now – and in other markets, such as China, in the future.

"For me, iPOS has always been number one because of the flexibility it can offer, plus all that powerful information access," says Yunus. "I also value the fact that Professional Advantage is constantly improving and developing new versions. I think the more iPOS develops, the more we will benefit as well. And I have found Sapphire Systems to be very supportive, whenever we need additional consultancy and technical help.

"I feel that it's a great team and product that has helped Net-A-Porter a lot."

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About us
Professional Advantage focuses on providing technology and services that enable high-performance workplaces and organisations. Professional Advantage was established in 1989 and today employs more than 230 people in the UK, the US and Australia. The company provides leading brand global business management systems such as financial management, ERP, CRM, retail, business intelligence, business process management and portal solutions to mid-sized organisations the UK. Its multi-product offering is complemented by its development, systems integration, consulting, training, and support services.