# KMI+ for The Content Group

An investment in best-in-class Enterprise Content Management (ECM) technology from The Content Group (TCG) has enabled water industry contractor KMI+ to remove all in-bound paper, streamline processes and deliver the information transparency required to support strong partnership with both its key client and the rest of its supply chain, including sub contractors.

As a result of its ECM investment, KMI+ has transformed its payment process, now processing 95% of all transactions within agreed payment terms and freeing up finance staff to concentrate on higher value jobs. All in all, TCG solution has enabled KMI+ to achieve a return on investment within 18 months.
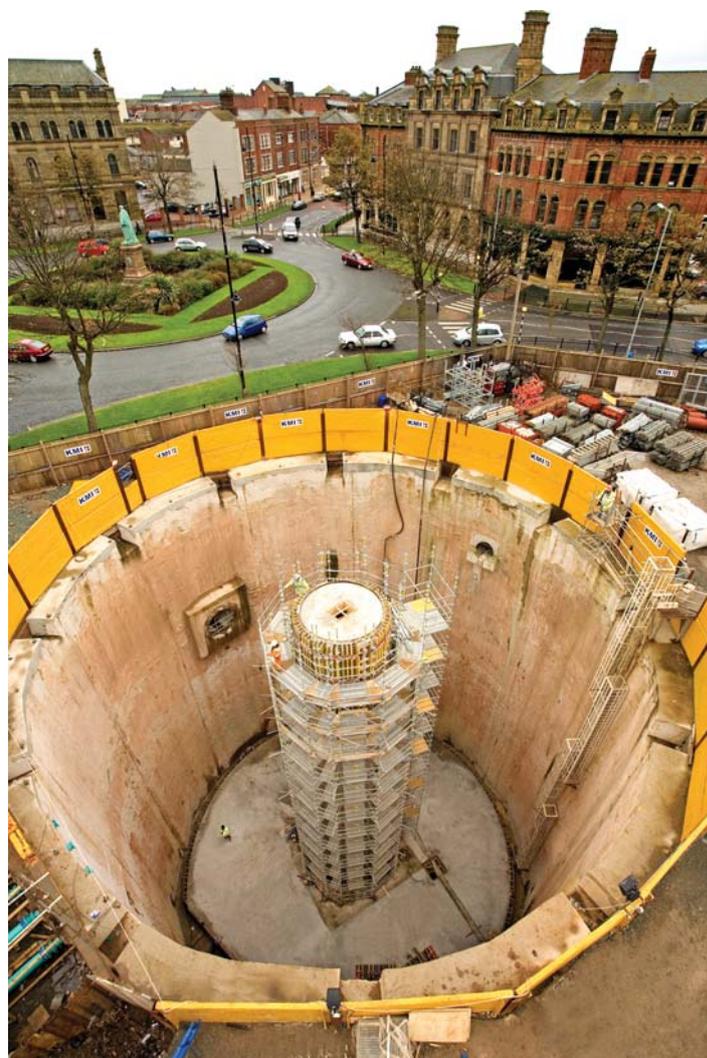
Water Industry

KMI Water was formed in 2002 specifically to meet the ever-increasing demands of the UK water sector. The organisation evolved into KMI+ in 2005 to deliver part of United Utilities' £400million AMP4 Capital Programme.

The parent companies of KMI+ (Kier Group PLC, J Murphy and Sons, Interserve Project Services Ltd and Mouchel) have a combined annual turnover in excess of £2.3 billion, giving KMI+ the financial strength, skills, and resources necessary to execute water projects of any size or nature. KMI+ operates virtually autonomously having set up its own Integrated Management System and processes.

The five year asset management programme is valued at £400 million and includes a significant overhaul of water treatment and waste water treatment plants in line with both UK and EU regulation. Key to KMI+ strong relationship with United Utilities is the organisation's partnership approach, a strategy developed over the past five years.

"In a highly complex supply chain, good partnership is essential to streamline processes, improve efficiency and achieve profitability for all organisations within the chain," says Stuart Murray, Finance Director, KMI+.

Information Flow

Underpinning that good partnership is information transparency and visibility. "The ability to share timely, relevant information is essential to create a strong partnership that encompasses clients, suppliers and subcontractors," Murray confirms.

In the construction industry, that sharing of information has traditionally been compromised by the vast amounts of paper, duplication and manual processes. "The creation of one property – and one invoice – can actually generate between 10,000 and 100,000 pieces of paper, from requisitions and purchase orders to delivery notes and supplier invoices," he confirms.

"Furthermore, this is not a contained environment – when people are remote, paper disappears. Following the paper trail is time consuming at best, and at times can be practically impossible; information is not 100% accurate and it is hard to resolve queries and disputes."

KMI+, in common with other construction companies, decided to look at the opportunities for electronic information management. However, rather than follow the trend towards electronic trading to pick up orders electronically, KMI took a different approach. "There were three goals: reduce the volume of paper within the organisation, improve communication by sharing information electronically and improve transparency across the supply chain," Murray explains.

Best of Breed

Having extensively evaluated the ECM market, KMI+ eschewed the all-encompassing products in favour of a best-in-class solution proven to support the specific needs of the construction industry. The company opted to work with TCG, an ECM solutions provider with extensive experience in this sector.

TCG's experience ensured KMI+ received a solution that reflected the specific demands of the construction sector – namely the fact that every single job is unique. Unlike retail or manufacturing where standard products are produced and distributed, within the construction sector even two identical buildings will be different as a result of unique factors such as ground incline.

Murray confirms, "Every product we build is different. Unlike retail or manufacturing there are no set processes. Instead, the construction industry requires a flexible approach to cope with constant change." He adds, "TCG's experience with other contractors with similar business issues and processes, gave KMI+ confidence in the validity and viability of the ECM technology."

No More Paper

With each job generating thousands of pieces of paper, KMI+'s primary goal was to remove the paper based invoices from suppliers. TCG recommended the Invu document archiving system, providing electronic management of all types of information and documents, such as forms, correspondence, literature, faxes, e-mail, technical drawings, electronic files and web pages.

The company also purchased Bottomline FormScape document process automation, the Project Dox project collaboration tool, and the Kofax rendering tool to provide crystal clear images.

Critically, given the focus on removing paper based invoices, TCG ensured that Invu was tightly integrated with the COINS financial software used by KMI+. Using a scanning solution recommended by TCG, KMI+ was able to replace its 80,000 invoices received annually with scanned documents, stored within Invu. Over time a number of suppliers have begun to submit electronic invoices, these are also stored within Invu in a seamless process.

Streamlined Process

The company is adamant that smooth payment processes are an important component of strong partnerships across the supply chain. "It improves KMI+'s standing with suppliers if accounts are paid on time," says Murray. "Not only do we become the contractor of choice but it gives us leverage in price negotiation."

Critical to achieving this on time payment is the ease with which queries and disputes can be addressed. "All payment queries must be resolved within agreed payment terms," he says. Using Invu's strong workflow and ability to annotate comments on screen to explain the status of a query or dispute, the company has transformed its payment process. Indeed, 95% of all transactions are processed within payment terms – the other 5% are genuine issues such as goods damaged or undelivered, which are unavoidable in this industry.

"Anyone, from procurement to finance, can see the information in Invu which ensures speedy resolution of standard issues such as wrong delivery charge or product rate," Murray says.

Now, instead of handling repeated calls from suppliers about payments, finance staff can concentrate on invoice checking and validation. Furthermore, the company has been able to increase its turnover – and invoice volumes – without adding staff.

Extended Collaboration

Having removed all paper from the invoice process, the use of Invu has extended across the organisation; indeed over 300 staff at KMI+ now have access. Information stored includes training records and Human Resources files, including health and safety records, subcontractor files and all back office administration. Invu also provides access to drawing information stored within Project Dox.

"While Invu offers security protocols which can be used to protect information such as HR and training records, KMI+ has taken the approach of offering free and full access to all information. This enables true collaboration across the organisation from streamlining financial processes to aiding on-site discussions with sub-contractors," says Murray.

The next phase of the deployment is using the FormScape tool to manage the majority of standard forms, from holiday applications and sickness records to requests for information and requisitions. "Having reduced the paper coming into the organisation by 100% and internal generation of paper by 50%, the use of FormScape to replace paper forms will take KMI+ closer to the paperless goal and further improve both efficiency and transparency," Murray explains.

Future Development

Over the past two years TCG has helped the company to create a strong ECM environment, all tightly integrated with Invu. "By adopting best-in-class products to address specific areas of business pain, KMI+ has been able to take an evolutionary approach to driving out paper, improving efficiency and transforming information transparency across the supply chain," says Murray. "As a result, KMI+ has achieved a return on investment within 18 months."

KMI+ continues to work with TCG to extend the ECM solution across the organisation. Current plans include the introduction of a mobile solution to provide access to Invu to on-site personnel, and the integration to the collaboration tool used by United Utilities, to further improve information transparency.

In addition to transforming supplier relationships, the quality and transparency of information has also played a key role in further developing the partnership with United Utilities. "Providing full and frank access to information is becoming an increasingly core component of the client relationship within construction," Murray confirms. "The ECM solution provided by TCG will underpin KMI+' strong partnership strategy and deliver the transparency, efficiency and profitability required in a highly competitive market sector."