

## CASE STUDY:

SONIC DRIVE-IN

# SONIC DRIVE-IN CRUISES TO SUCCESS WITH BASWARE

SONIC DRIVE-IN, A FAST-PACED, SERVICE-ORIENTED COMPANY, NEEDED AN INVOICE AUTOMATION SOLUTION THAT WOULD SUPPORT THESE VALUES AND PROVIDE GREATER EFFICIENCIES AND CONTROL. BASWARE INVOICE AUTOMATION HAS HELPED THE COMPANY SAVE SUBSTANTIAL TIME, COST AND EFFORT AS WELL AS IMPROVE SUPPLIER SATISFACTION.



SONIC®, America's Drive-In®, the largest chain of drive-in

restaurants in the U.S. with more than 3,500 company-owned and franchise locations from coast to coast, is known for its quick and personal Carhop service and made-to-order fast food. In its accounts payable (AP) department, however, SONIC's manual invoice processing operations were less efficient than desired, and the company recognized there was great need for improvement.

To address this, SONIC set its sights on achieving the same degree of excellence and efficiency in AP as it has accomplished in its restaurant operations. The company's previous manual AP processes were arduous and time-consuming. Each of the 458 company-owned restaurants across the U.S individually received invoices from suppliers. Twice monthly, these restaurants

sent a batch of invoices to headquarters in Oklahoma City via UPS (United Parcel Service). The AP department then manually keyed in each invoice.

**“OUR PROCESS WASN'T WORKING EFFICIENTLY, WE FREQUENTLY DIDN'T RECEIVE INVOICES FROM THE FIELD IN A TIMELY MANNER, AND SOME WERE MISSING OR LOST. WE ALSO HANDLED A NUMBER OF CALLS FROM SUPPLIERS CHECKING ON THE STATUS OF LATE OR OUT-OF-PERIOD INVOICES.”**

said Karen Higdon, director of accounts payable for SONIC.

#### CUSTOMER:



#### INDUSTRY:

Restaurant Services

#### LOCATION:

United States (headquarters in Oklahoma City)

#### BASWARE SOLUTIONS:

- Invoice Automation
- anyERP Adapter

basware

Simplify Operations, Spend Smarter.



## SPEEDY PROCESSES

Adding to these problems was the difficult task of trying to manually handle 450,000 invoices each year. "It was time-consuming to key in approximately 40,000 invoices every month," said Higdon. "Once the invoices were entered, they were forwarded to another person for review for accuracy. This made the process even longer."



### THE RIGHT SOLUTION

Higdon and her team knew they needed an automated system to handle AP processes. They conducted a thorough selection process, sending RFIs (request for information) to 15 companies, and then narrowed the field down to three for more extensive review. From this process, SONIC chose Basware Invoice Automation.

"There were several factors behind SONIC's decision, including the high-level of functionality and ease of use that Basware offers. One of the biggest selling points of Basware Invoice Automation was that it

offered robust functionality right out of the box. The fact that we were able to hit the ground running with the breadth and depth of functionality that we needed was important to us," says Karen Higdon.

SONIC set several goals for its automated system: The company wanted to reduce the time and effort involved in processing invoices, gain efficiencies, improve control over invoices and decrease out-of-period payments.

The implementation process went very smoothly. "We are very pleased with Basware and have created a true partnership with them. They have been great about communicating with us frequently and are always available to be on-site, as needed," says Higdon.



### HOW THE PROCESS WORKS NOW

To effectively address its invoice automation goals, SONIC implemented Basware Invoice Automation, a cutting-edge

electronic invoice processing solution that eliminates the need to manually process invoices.

This solution supports electronic workflow, revision, cost allocation and approval of invoices as well as transfer to the organization's ERP or financial system. With its versatile reporting, the solution provides complete access and display for all invoice information, as well as a spend analysis. SONIC also implemented automated scanning to accurately capture invoices electronically.

Today, all invoices are received through SONIC's third-party scanning company, and approximately 97% of the invoices are processed electronically. Once the invoices are in the system, Basware Invoice Automation's autoflow capabilities routes them to the appropriate approvers and reviewers in the company. To ensure that invoices are processed in a timely manner, the Basware system sends out reminders, and escalates approval to the next level if someone does not respond within a certain

timeframe. The system is able to accommodate SONIC's business rules by setting dollar limits on corporate approvals and establishing the approval chain for invoices.

Basware Invoice Automation seamlessly integrates with SONIC's Infinium ERP. "Transferring information between Basware and our ERP is a smooth process. We transfer information to our payables ledger several times a day, and also send data to the general ledger once a week—and it all happens very easily," says Ronda Boles, Supervisor of Payables, at SONIC.



### CLEAR BUSINESS BENEFITS

SONIC has realized important benefits using Basware Invoice Automation. The company has been able to save substantial time, cost and effort, as well as reduce out-of-period payments.

**"IN A FEW CLICKS OF A MOUSE, WE CAN SEND INVOICES OUT TO THE DRIVE-IN RESTAURANTS AND WE DON'T HAVE TO TOUCH THEM ANYMORE. THE TIME REQUIRED TO PROCESS INVOICES HAS BEEN DRASTICALLY REDUCED," SAID BOLES. "ONCE THE INVOICES ARE IN THE SYSTEM, THEY ARE TYPICALLY PAID WITHIN ONE WEEK. OUR SUPPLIERS KNOW THEY CAN COUNT ON BEING PAID IN A TIMELY MANNER, SO WE DON'T SPEND TIME FIELDING THEIR CALLS."**

With the efficiencies and process improvements, SONIC has been able to reduce manpower to process invoices by more than 25%—decreasing the staff needed to work on this task from 19 to 13.

By using invoice automation, SONIC also reduced the need for storage. Previously, SONIC stored all of its invoices—including invoices received through EDI—in paper format at an off-site facility for seven years. With Basware Invoice Automation, SONIC eliminated storage requirements for 450,000 invoices per year and additional attachments annually, as well as the cost of mailing 50,000 invoices twice a month from its company-owned restaurants to headquarters, providing a cost savings of more than \$160,000 per year.

Another area where SONIC has realized significant improvements is in conducting audits.

"Basware makes the audits a lot easier," said Higdon. "We have a clear audit trail of every invoice—when it was received,



**EASIER  
AUDITS**

who handled it, what steps were taken, etc. Before, when we were processing invoices manually, the audit process was particularly painful for AP. Now we just pull up the invoice we need from the system."

At the same time, restaurant management has more time to focus on the core business, and supplier satisfaction has increased. And to top it all off, AP is an even happier place to work. Next on the horizon, SONIC plans to leverage the insights and capabilities of Basware Invoice Automation to negotiate better terms and capture discounts from suppliers.

**"MANAGEMENT IS VERY PLEASED WITH THE VISIBILITY AND CONTROL ACHIEVED IN ACCOUNTS PAYABLE. THEY ARE PARTICULARLY IMPRESSED WITH THE COST SAVINGS AND EFFICIENCIES WE'VE BEEN ABLE TO ACHIEVE, AS WELL AS OUR ABILITY TO PAY INVOICES IN A TIMELY MANNER AND CLOSE OUR BOOKS FASTER AND MORE ACCURATELY,"**

Karen Higdon, Director of Accounts Payable at SONIC Drive-In.

## ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

[WWW.BASWARE.COM](http://WWW.BASWARE.COM)



## ABOUT: SONIC

SONIC, America's Drive-In (NASDAQ/NM: SONC) started as a hamburger and root beer stand in 1953 in Shawnee, Okla., called Top Hat Drive-In, and then changed its name to SONIC in 1959.

The first drive-in to adopt the SONIC name is still serving customers in Stillwater, Okla. As the nation's largest chain of drive-in restaurants, SONIC has more than 3,500 drive-ins in 42 states coast to coast. More than 3 million customers eat at SONIC every day; and with more drink combinations than any other quick-service restaurant - more than 168,000 - SONIC is Your Ultimate Drink Stop®.

For more information about SONIC Corp. and its subsidiaries, visit SONIC at [www.sonicdrivein.com](http://www.sonicdrivein.com).

Through Limeades for Learning®, SONIC and its franchise partners have donated more than \$638,000 dollars to public school classrooms in local communities across the country.

Visit

[www.limeadesforlearning.com](http://www.limeadesforlearning.com) to learn more about SONIC's commitment to education.