

Hershey Entertainment & Resorts

Client Profile

Hershey Entertainment & Resorts is a world-class entertainment and hospitality company dedicated to preserving the legacy of Milton S. Hershey. It is a privately held Pennsylvania Corporation, founded in 1927. There are currently 1,650 full-time and 7,400 part-time and seasonal employees..

Business Challenge

The goal for Hershey was to automate a manual procurement process using a solution to streamline procurement and account payable capabilities. The solution would also improve spend management and visibility, and improve the management of vendors and contract.

Results

Over \$12 million in spend under management in the first full year of production. Spend under management has steadily increased, with over \$20 million in 2013.

“Open communication and visibility with procurement and finance is key.”

Client Profile

Hershey Entertainment & Resorts is a privately held company founded in 1927 when Milton S. Hershey separated his chocolate manufacturing operations from his other businesses. Other businesses were created with the development of the Hershey community and include, The Hotel Hershey, Hersheypark, Giant Center, The Hershey Lodge, numerous restaurants and affiliated shops. Hershey is guided by their mission to be a leader in the hospitality and entertainment industries by delivering excellence to guests and employees.

The Challenges

Procurement is a critical component of Hershey Entertainment & Resorts business. But Procurement at Hershey was a manual process of matching POs, receiving documents and invoices for payment. Additionally, many of the processes varied by property and division, making tracking and accountability of spend difficult. The goal for Hershey was to implement a Procure-to-Pay solution that would:

- Streamline procurement and account payable capabilities
- Improve spend management and visibility
- Improve the management of vendors and contracts

Hershey was also looking ahead to a system to manage inventory. Although not a requirement, a solution to handle inventory was a plus.

The Solution

Finding the right solution for an organization is always a challenge. However, Hershey approached the selection process with a well-thought out plan to involve key stakeholders. They:

- Established an e-Procurement Project Team comprised of key internal stakeholders
- Conducted a Needs Assessment by surveying all employees and departments that will be impacted by the new system.
- Conducted a thorough Supplier Research and Selection Process

Through interviews, references and second demonstrations, Hershey was able to identify the provider that would meet their specific needs within their budget, and have the ability to grow with their procurement organization. In the end, they selected the BravoAdvantage Procure-to-Pay solution.

Implementation

Hershey Entertainment & Resorts procurement transformation was achieved by establishing a dedicated implementation team with an e-Procurement coordinator. They developed a specific implementation plan and with careful coordination with the BravoSolution Project Manager they set manageable goals. Communication to all involved was critical to success.

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Supplier Enablement

Suppliers were involved early on in the process so that they would also be able to reap the benefits of the new procurement system. As an entertainment organization, reliable suppliers are of utmost importance. Creating the connection between the new procurement solution and suppliers was essential. To accommodate this, Hershey developed a Supplier Enablement Plan that helped to transition suppliers into the new system through consistent and effective communications.

Electronic Invoicing

Hershey also implemented electronic invoicing. They chose to do this one year after they went live to ensure once again that all the groundwork had been covered, users and suppliers were adequately trained and informed, and that expectations would be met. They initially worked with one supplier to test the process and make sure that all steps were being followed correctly. Carefully monitoring the process, gently reminding users of the procedures, and continual training resulted in the current status of:

- 597 Users in the system
- 1037 Suppliers registered
- 44 Hosted Catalogs
- 10 Punch Out Catalogs (2 more in the works)

Training

As with any new process, there are those that will resist change. This was true for the users of BravoAdvantage and Hershey suppliers. Training was and is required for all users of BravoAdvantage and users were not allowed to access the system until training was completed. Hershey found the optimal class size and utilized the training guides and videos. The e-Procurement coordinator gathered helpful tips and published these weekly, which greatly improved the user adoption rates.

Results

Hershey employed a systematic, step-by-step approach that kept communication and training at the forefront. The result was continued success with increased user adoption. Specific results:

- Year 1 - 16 Purchase Orders - \$8,027 spend under management
- Year 2 - 9,242 Purchase Orders - \$12.1M spend under management

- Year 3 - 17,670 Purchase Orders - \$20.1M spend under management - 2619 Electronic Invoices processed.

Keys to Success

The path to procurement transformation for Hershey did not happen overnight. The implementation demanded careful planning and alignment of stakeholder goals during the entire process. Open communication and visibility with procurement and finance was key, as well as active and constant collaboration with all departments in the organization. Specifically, Hershey found that:

- Senior Management support is a must
- Total company engagement is required
- Do not expect to be fully automated overnight
- Benefits of having a Procure-to-Pay solution are a direct correlation of the time and effort invested in it.

About BravoSolution

• **Leverage Proven Global Results** – 100,000 purchasing executives across 70 countries and 700,000 suppliers globally rely on BravoSolution products and services.

• **BravoAdvantage** – BravoAdvantage is the strategic procurement platform that enables organizations to generate more value, influence innovation and reduce risk. Powered by a unique supplier-focused approach that integrates supplier lifetime value throughout the entire procurement process, BravoAdvantage provides the visibility, insight and transparency required to power and improve every procurement initiative and decision.

• **Engage the Experienced Team** – The BravoSolution customer commitment is to provide exceptional people and smart, proven, cutting-edge processes to ensure customer success. BravoAdvantage is powered by an experienced team of global procurement professionals, equipped to help with organizational transformation and management, implementation, adoption, support, and procurement strategy.

• **Connect with a BravoSolution Professional** – Learn more about BravoAdvantage and how we can help you unlock your organization's hidden value and savings throughout the procurement processes.