

ORDER MANAGEMENT | CLAIMS & DEDUCTIONS

Brewing Up Efficient Order and Claims Processes

How Damm transformed its Customer Service by automating orders and deductions, resulting in happier teams and an outstanding customer experience.

Damm



ESKER®

AT A GLANCE

Damm

 Beverage manufacturer & distributor

 Present in over 133 countries

 5,700 employees

 SAP ERP

Objectives

- Build a resilient company capable of adapting to strategic changes, including new acquisitions, brands and market challenges
- Capture close to 70,000 non-EDI and non-portal orders while minimizing errors
- Automate the processing of 30,000 annual deductions
- Accelerate order and deductions processing times
- Free up teams from manual tasks, allowing them to focus on higher-value activities

Challenges

Continuing to reshape internal processes

Founded as a brewery in 1876, Damm now produces and sells more than 25 beverage brands generating €2.1 billion in revenue. The company began diversifying its product lines in 1999 and now includes waters, soft drinks and catering as well as distribution and logistics. To meet demand, Damm operates 10 production and bottling plants, two malting plants and manages sales activities in more than 133 countries.

In 2017, in response to a request from the Customer Service team, Damm embarked on a full-scale, company-wide digital transformation project, internally referred to as "Maximum Automation: The Digital Transformation of Customer Service and Commercial Management." As Alexy Sánchez, Head of Corporate Customer Service at Damm, explained, "This was not just a company-wide project, it was a cultural shift, transforming the way we work."

What motivated this change was the amount of manual tasks in Damm's order-to-cash cycle, which processes about 140,000 orders per year. Around half of the orders arrive over channels such as email, fax, phone calls and even WhatsApp messages, and in formats like PDF, HTML, Word and Excel. Making things even more confusing was the fact that many of these orders couldn't automatically be created in SAP.

Going hand-in-hand with order management, the customer deductions processes needed to be addressed as well. Managing a very high volume of documents manually increased the risk of errors exponentially, which, inevitably, lead to new deduction claims. Entering a single deduction invoice could take up to 10 minutes, and there was no traceability of where it was in the process afterwards. Customers did not appreciate that reconciliation and settlement of deduction claims was slow and error-prone.

To address these and other operational challenges, Damm launched its automation project and began searching for solutions.



Solution

Automatic integration of customer orders

To streamline operations, Damm first launched the order management project, marking a turning point in the daily operations of the Customer Service team. Esker Order Management has streamlined processes, with orders now fully automated and displaying significantly reduced order processing times from four minutes to just 1.2 minutes. Additionally, the Esker Anywhere™ mobile application allows customers to place orders on-the-go in just seconds, enhancing convenience, especially for the customers operating in the hospitality sector.

After seeing the results, Damm expanded its partnership with Esker to optimize deductions management as well. One of the most impactful benefits, as highlighted by Sánchez, is the 99% reduction in order errors, leading to a significant decrease in deductions as well as the associated costs and complexities prevalent in the supply chain.



“When a deduction arrives, Esker works its magic: it captures all the data, identifies it, categorizes it, and automatically identifies the correct trade promotion or terms that apply to it.”

Alexy Sánchez

Head of Corporate Customer Service, Damm

“99% of orders are automatically integrated into SAP, speeding up the process and reducing errors to virtually zero.”

Alexy Sánchez

Head of Corporate Customer Service, Damm

Better management of off-invoice deductions

Off-invoice, or unplanned deductions, are the most difficult to manage, since the price mismatch between the supplier's invoice and the payment usually requires manual intervention and eats up a lot of processing time.

However, when an off-invoice deduction arrives in Esker Claims & Deductions, the AI automatically captures the key details such as customer data, dates and product category. It then categorizes the deduction, identifying whether it corresponds to a vendor invoice, which requires further processing through the AP workflow, or if it's a deduction that necessitates a credit note.

Esker Synergy AI also automatically matches the deduction to the applicable trade promotion recorded in the ERP, thereby ensuring accurate allocation. Further reconciliation and settlement are also managed in the Esker application as well as clearing the customer account entry once finalized.

For non-trade deductions, i.e. those that stem from pricing or quantity discrepancies, Esker Claims & Deductions follows a similar process: The solution automatically identifies the nature of the deduction, either a pricing or quantity discrepancy. Once the investigation and the approvals have been completed, the appropriate documents and actions are generated in the ERP, such as a credit note or GL account entry, thereby ensuring accurate reconciliation.

This shows how these processes are connected: Automating orders and processing them faster and with fewer errors was a first step towards a better deductions management. Then the focus was shifted to automating deductions and refining workflows, especially for those deductions that did not originate from order entry errors.

Given that Damm issues approximately 1.2 million invoices annually — handling around 11,000 on-invoice deductions and another 19,000 off-invoice deductions — this improvement has resulted in substantial operational and financial advantages.



“With just one click, I can see how many deductions are pending, their status, the reason, and which customer or key account they’re related to. It’s incredibly efficient and has a positive impact on customer satisfaction.”

Alexy Sánchez
Head of Corporate Customer Service, Damm

Highlights

- Reduced order handling time by 70% from 4 to just 1.2 minutes
- Cut deduction management time by 80%, from 10 to 2 minutes
- Reduced DDO by 67%, from 45 to 15 days
- Freed up 2 FTEs to focus on higher-value tasks, driving business growth
- Achieved ROI within 2 years
- Enhanced control and visibility across the entire O2C process
- Improved organizational flexibility, reduced stress for the team

Results

End-to-end process visibility drives a better customer experience

Damm has achieved an 80% reduction in deduction processing time, cutting it down from 10 minutes to just one minute. Alexy Sánchez also highlighted the impact on Days Deduction Outstanding (DDO), which has dropped from an average of 45 days to just 15 days. He emphasizes the significance of this change, stating, “Being able to subtract 21% VAT on all deduction claims received 30 days earlier is incredible.”

Beyond speed and efficiency, Esker’s solutions have provided comprehensive visibility over the entire process. This has enabled the team to identify issues in real time and maintain uniform procedures. With 90 team members spread across five shared services centers in four different countries, this also enables the allocation of resources wherever they are needed.

Additionally, high levels of automation have resulted in time savings equivalent to nearly two full-time employees (FTEs). Instead of reducing staff, Damm has reallocated these resources to focus on higher-value tasks, such as integrating new acquisitions, managing new brands and supporting business growth. As Sánchez puts it, “Team members gain quality of life by being able to shift from spending eight hours crunching data to focusing on analysis and strategic actions.”

“Ultimately, we have achieved remarkable financial optimization, gaining greater control, deeper insights and enhanced efficiency throughout the process,” concluded Sánchez.

“Esker’s solutions are so intuitive that when issues arise — whether it’s peak demand, sick leave, vacations, or anything else — it’s easy to step in and maintain efficiency without missing a beat.”

Alexy Sánchez
Head of Corporate Customer Service, Damm

Do you want to transform your order and deductions management processes like Damm?

Get in touch with Esker

About Esker

Esker's AI Automation Suite for the Office of the CFO leverages the latest in Agentic AI and automation technologies to optimize working capital and cashflow, enhance strategic decision-making, and improve human-to-human relationships with customers, suppliers and employees. Esker's Source-to-Pay and Order-to-Cash solutions automate any business process while supporting long-term growth strategies. Offering 40+ years of industry knowledge, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

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