PPL Electric Utilities is an electric distribution company headquartered in Allentown, Pennsylvania. The company employs over 2,300 people and serves over 1.4 million customers in 29 counties across central and eastern Pennsylvania.

PPL is a Pennsylvania-based regulated utility that delivers electricity to homes and businesses through a network of over 48,000 miles of power lines and related infrastructure. As a Default Service Provider, PPL is required by law to provide energy to customers who do not choose an electricity supplier. In this roll, PPL buys wholesale energy on an open market from a variety of suppliers and delivers it to customers. The company pays suppliers on a calendar month basis, and the procurement and payment processing of these transactions—which are often as much as $50M—is tightly controlled.

Company:

PPL Electric Utilities

Applications:

- MicroStrategy application combines all payment-related data into a single application

- Users can drill into reports and view or adjust invoices using an intuitive, interactive portal

- The system automatically delivers cash reports to the Cash Ops teams for settlement

- Suppliers receive automated invoice reports

The Challenge

In 2015, PPL was preparing to retire the legacy system that governed their payment and invoicing processes, as well as a suite of other internal functions. As they looked to implement a new tool, the company specified several key requirements. First and foremost, they needed an application that made it easy to validate, adjust, cancel, and approve invoices, while catching exceptions in the data that warrant further review. They also needed a solution that could generate payment details for every supplier, provide self-service capabilities for business users, and deliver reports for their Cash Operations team. In effect, PPL needed a technology solution that could facilitate a fast, effective, and auditable approval process for all payments. PPL chose MicroStrategy because it offers the scalable architecture and transactional, self-service capabilities needed to support these functions.

The Solution

PPL deployed a MicroStrategy transaction-based application that helps payment validators and approvers support the invoicing and service-level agreements (SLAs) involved in the process of reimbursing wholesale suppliers. The new solution combines multiple data sources and condenses all payment and invoice records into a single application console.

Before MicroStrategy

- Relied on a series of conjoined legacy systems that had reached the end of its useful life

- Invoicing processes were time-consuming, disjointed, and required significant manual work

- Ran risk of having to undergo expensive and time-consuming audits

Goals

- Centralize and automate invoicing processes

- Deliver self-service BI capabilities

- Implement a scalable reporting solution that delivers insights to suppliers and internal stakeholders

- Ensure the entire process is SOX compliant

After MicroStrategy

- More efficient processing of $500 million in invoices each year

- Time savings and faster, more accurate, and auditable reporting

- Optimized operational costs

Powered by MicroStrategy Transaction Services, the new application features an interactive interface that lets users directly input adjustments to vouchers, approve or cancel invoice records, and immediately update the underlying database. Using a series of pre-defined reports, users can look up invoices by supplier name, view transaction histories, review invoice status, and drill into payment details. The application also generates exception-based reports that notify users of any discrepancies or anomalies in the data, so they can quickly make adjustments and help ensure invoice accuracy. Once invoices are approved, a PDF is uploaded to a separate portal sytem where suppliers may download and view the file. Additionally, to support the payment process, the Microstrategy application creates and delivers a specialized file for the Cash Operations team, which is automatically loaded into the system to settle invoices.

The Results

The application allows PPL to control and manage over half a billion dollars a year. The new invoicing solution has enabled PPL to remove the risk of manual processes, including the potential cost of an audit, which also saves time and resources. And with exception reporting, users can ensure that invoices are never built on top of incorrect or incomplete data. With an application console that delivers condensed, auditable views of invoices, the company has been able to optimize their operational costs by efficiently reimbursing suppliers every month with minimal disruption.