How Dollar Tree Saved Time, Money & Resources by Leveraging Sakon's Bill Payment Services

Fresh off of acquiring Family Dollar, Dollar Tree needed to consolidate invoice processing platforms to avoid late payment fees and disconnects. Sakon provided them with much-needed peace of mind.

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The Sakon partnership has been instrumental in allowing Dollar Tree to automate our Telecom Invoice Payment Process, driving our costs down so we can continue to provide products at extreme values to our customers.

Scott Kern, VP Business Process and Projects at Dollar Tree

The Background

With over 7,000 stores across 48 U.S. states, Dollar Tree is one of the biggest discount variety stores in the country. In business since 1953, Dollar Tree is a major name in the low-end retail market and sells a variety of national, regional, and private-label brands. From health and beauty products to groceries and pet supplies, Dollar Tree stores cover the full spectrum of household consumer goods.

In 2010, Dollar Tree acquired Dollar Giant for $52 million. With 85 retail outlets throughout Canada, Dollar Giant was one of the more prominent dollar store chains in the country. The acquisition moved Dollar Tree from being a U.S.-specific business to a multinational one.

In 2014, Dollar Tree purchased Family Dollar for $8.5 billion, further expanding its reach in the discount variety space with 8,000 stores in the United States.
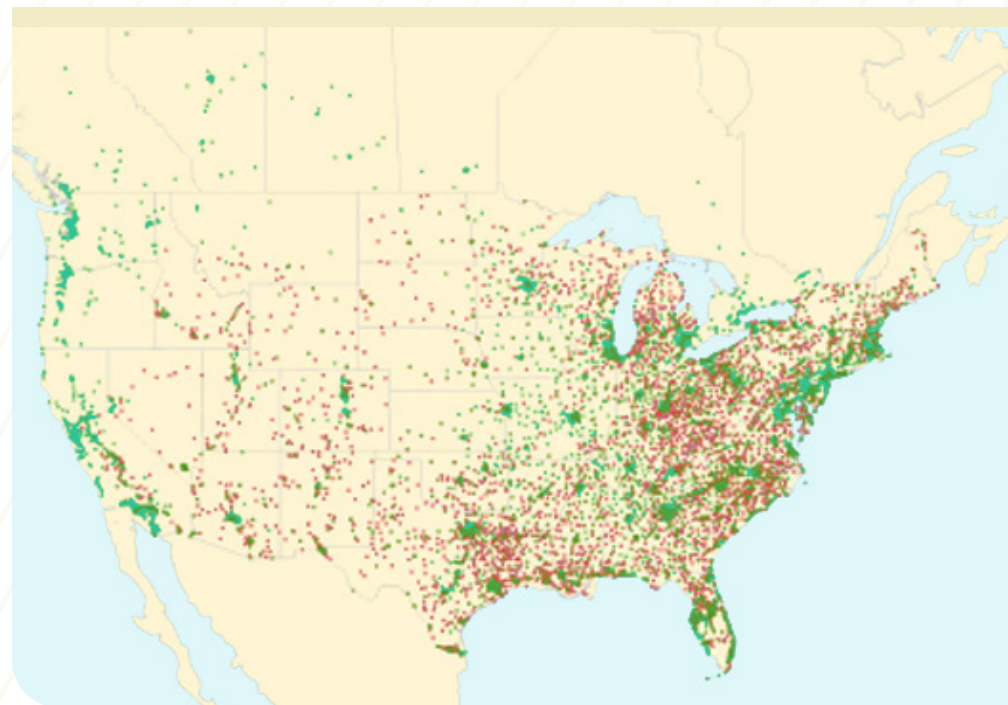
At a Glance

$25B+ revenue in 2021

193,000+ employees

15,288 stores in the U.S. and Canada

DOLLAR TREE.

FAMILY DOLLAR

DOLLAR TREE. ❦

The Challenge

Prior to its acquisition of Family Dollar, Dollar Tree was able to handle Telecom Expense Management responsibilities in-house with relative ease. But the acquisition of Family Dollar also meant embracing an entirely new platform to manage invoice processing and a more than doubling of complexity. Naturally, this made things challenging for Dollar Tree's internal teams.

Considering that the average cost to pay an invoice for Dollar Tree was roughly $25, they knew that keeping bill payment responsibilities in-house would be a costly endeavor. And when you factor in reconciliation expenses on top of that, Dollar Tree was looking at some serious expenses.

Dollar Tree found it increasingly challenging to ensure payments were posted correctly and on time across their 120 individual telecom vendor portals. With so many different invoices to account for, Dollar Tree knew that one payment could easily slip through the cracks and result in either a late payment fee or a total disconnect at a retail location, or even worse at a critical distribution center.

Dollar Tree Canada further complicated Dollar Tree's bill payment processes, since they had to factor in an exchange rate to accurately pay invoices. Dollar Tree needed a simplified, streamlined approach to bill payment that minimized the likelihood of late payments or disconnects, while also navigating foreign currency complications with ease.

16,000
Annual payments between U.S. and Canada

$30M
Annual telecom spend

120
Different telecom vendors

The Solutions

In order to offload their bill payment responsibilities and free up their teams to focus on other financial priorities, Dollar Tree began their search for an outsourced vendor. What they ended up finding was a trusted partner in Sakon.

All of Dollar Tree's Telecom invoice processing and payments go through Sakon, who distributes payments to 120 vendors monthly, ensuring invoices are always paid accurately and on time. With an SLA that all payments would be made within three business days, Dollar Tree could rest easy knowing that late payment fees and disconnects would never be an issue.

For their Canadian stores, Dollar Tree was able to get rid of the risk of currency fluctuation because of exchange rates. Sakon is able to receive funds from any number of countries in their native currency and pay invoices accordingly. In this case, Sakon handles the Canadian invoices on Dollar Tree's behalf so they don't have to worry about foreign currency changes.

Not only did Sakon help simplify and streamline their bill payment processes, but they also enabled Dollar Tree to establish a detailed record of all payments to help settle disputes and ensure compliance. Leaning on Sakon's record of transactions, Dollar Tree is able to reconcile any and all payments.

Should an invoice not get implemented into their system, thus opening the door for a late payment fee or disconnect, Sakon is standing by and ready to efficiently make immediate emergency payments to rectify any issues.

In short, Sakon's payments-focused processes eliminated late payment fees and disconnection of services for Dollar Tree, providing them with peace of mind, significant cost savings and the ability to focus on other pressing business objectives.

In addition to bill payment processes, Sakon provides the following services:

- Mobile Device Catalog and Order Workflows
- Mobile Help Desk
- Dispute Management
- Fixed Service Ordering

The Results

Streamlined Bill Payments

With Sakon's quick turnaround time and ability to make emergency payments as needed, Dollar Tree was able to avoid late payment fees and costly disconnects and, in turn, protect their organization's bottom line.

Seamless Currency Exchange Rates

Sakon can seamlessly handle U.S. and Canada payments in native currency so that Dollar Tree's vendors, wherever they are, are receiving accurate payments in the proper currency.

Offloaded Financial Responsibilities

With less time needed on managing invoices, rectifying payments, and processing orders, Dollar Tree is able to free up their teams to spend more time on value-add projects within the organization.

Complimentary Bill Payment Solutions

Sakon provides the Bill Payment as a courtesy service add on to its Accounts Payable Invoice Automation and Telecom Expense Management Solution.

Meet the Integrated Platform To Manage All Your Communications Services

For more information on how Sakon can help your enterprise evolve its Telecom Management Workflows, **schedule your free demo** today. Together, we'll work to pinpoint the areas where we can help, and develop a sound game plan that's tailored to your needs.

Start Your Demo

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