

JetBlue Saves Millions with Dynamic Discounting

Overview

JetBlue is an award-winning airline committed to providing value and quality service and products to its customers. With their customer-centric philosophy, JetBlue has emerged as the sixth largest airline in North America and attracts over 40 million passengers annually for both domestic and international travel.

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jetBlue
AIRWAYS®

“I would recommend [DocuPhase] because it’s an easy solution, it’s cost effective, and overall it helps your daily work processes.”

Joni Guerts
AP Manager
JetBlue Airways

Business Situation

With a monthly volume of over 51,000 invoices to coordinate between 4,000 approvers and 10,000 suppliers, JetBlue sought an automated solution to streamline their complex accounts payable processes and lighten the workload of their internal staff.

The team turned to DocuPhase’s AP automation solution and witnessed a significant surge in their straight-through and touchless processing rates, with nearly 90% of their invoices being processed without the need for any manual intervention.

As a result, JetBlue’s financial back office regained valuable hours that allowed them to shift their focus from tedious tasks to strategic initiatives like cash flow optimization and data reporting.

A particular area of focus was supplier relationships. With a newfound ability to direct more effort toward operational enhancements, JetBlue’s financial back office decided to implement a dynamic discounting system to protect their bottom line while improving supplier relationships.

They acknowledged the potential complexities of executing this plan manually, and given the success of DocuPhase’s AP automation solution, JetBlue decided to partner with them again to implement this new accounting workflow.



The Solution

Together, JetBlue and DocuPhase customized a dynamic discounting program tailored to the unique requirements of their business.

First, the teams met to identify eligible suppliers who offered early payment discount opportunities.

They then defined rules that would apply a scaling discount for applicable suppliers based on the exact number of days early a payment was made. For instance, DocuPhase's dynamic discounting program allowed JetBlue to capitalize on proportionally reduced discounts for invoices settled 20 days before the due date, instead of the usual 30.

As a final consideration, JetBlue opted to apply credit memos as rebates for record-keeping purposes. While this step is not a typical inclusion in a dynamic discounting workflow, the DocuPhase team worked to customize the program from end-to-end to ensure it met all of JetBlue's specific requirements.

The Results

The result of implementing DocuPhase's dynamic discounting program was a win-win situation both for JetBlue, who was able to secure more savings, and for their vendors, who were able to get paid sooner.

To test the efficacy of the new solution, JetBlue set a goal to capture \$1M in discounts; but with DocuPhase, the team was able to triple their goal, quickly accruing \$3M in savings.

DocuPhase has been instrumental in optimizing JetBlue's financial back office. It has led to significant improvements in both supplier satisfaction and ROI, all achieved without the need for additional manpower. With help from DocuPhase, JetBlue has implemented a solution for its AP team that strengthens employee satisfaction, supplier relationships, and their bottom line.

Results at a Glance



Over **\$3 million** in discounts captured using DocuPhase's dynamic discounting program



More than **51,000** monthly invoices processed using DocuPhase's AP automation solution



Nearly **90%** touchless processing rate using DocuPhase's invoice capture and validation technology