Case study: Electronic invoice processing in SAP-FI

Expect More
with inPuncto GmbH

Siegfried | expect more

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Expect more

"Expect more" - that is the slogan that Siegfried took up the cause of. The company from Zofingen in Switzerland considers itself as partner of the pharmaceutical industry and offers a wide range of services of the development of active ingredients through to the production, packaging and shipping of finally formulated medicaments. "Expect more" is not only a confident appeal for the customers regarding the own outputs, but rather the attitude of the Siegfried AG towards his suppliers and partners.

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In according to that, the expectations of the quality of a new electronic invoice processing that has to be implemented in SAP were high. The products of the software producer inPuncto GmbH from Esslingen were chosen for that.

The software developer inPuncto specialized in SAP applications - especially in DMS - had the right, in other words appropriate solutions for the requirements of the Siegfried AG , in its portfolio.

These are combined under the collective biz² ECM-Suite and consists of client and server products. Jean-Claude Flury, Global Head IT Project & Business Applications at Siegfried AG again formulates the former requirements towards an electronic invoice processing in SAP-FI that has to be newly installed: "On the one hand, we wanted a slim software, on the other hand a solutions that is deeply integrated in SAP". It reads simple, but first it was not.

A ready solution from inPuncto for SAP

Jean-Claude Flury: "There are indeed several provider in the area of DMS at the market but the most few have "completed" solutions. Many of them are relatively large and need much preparation and programming time to adapt the software to the own system. As relatively big middle-class company (850 employees in Switzerland, Malta, the USA and soon in China) with up to 30.000 invoices per year we looked for a solution which could be easily implemented in SAP - and we found it at inPuncto".

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"SAP is the leading system" is the suitable credo at inPuncto. CEO Dr. Frank Marcial does not want this basic rule to be understood as a cliché, but rather as lived philosophy for all products of the biz² ECM-Suite: "We specifically develop our add-on products for SAP. Here, we always think and control from the SAP world. Marcial is convinced that only like that one can stay "slim": "We use the entire management functions and logic of the SAP system and therefore do not have to arrive with separate management functions. That enables to supply redundance-freely additional functions, comfort and security for documents as well as their data and process."

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Many middle-class companies that already use SAP as standard software in other fields want to replace their conventional processing and archiving of incoming invoices through a digital alternative directly in SAP-FI. By having done the first step towards the electronic invoice processing, many of them smilingly shake their heads about the former method. Like Ines Ernst, chief accountant at Siegfried AG: "We had pure paper-based payment runs with booking receipts that have been pasted on the invoices and ink stamps for the sign-off.

The processes were complicated, processing times from three to four weeks were no speciality and we never knew the exact position of the sheet during the release process." Ines Ernst, her colleagues at the accounting as well as many employees at the special departments therefore desired a more efficient invoice processing including the functionality to daily know: "But trappings", Ines Ernst continues, "we did not want additional reports, tables and other software functions, that anyway one rarely or never uses. We were looking for a slim and user-friendly solution."

Quick and easy data entry of invoices

So, the accounting together with the IT sector exactly picked the components of the inPuncto portfolio that were suitable for the existing desires and needs: biz²Scanner, biz²ScanServer, biz²Archiver and biz²DocumentControl. By means of these components, the today's invoice processing can be exemplarily checked. Like the clue is in the name, the first mentioned instrument serves the data capture of the invoices.

The following processing steps happen through the module biz²ScanServer. The project manager Ullrich explains the functionality: "The biz²ScanServer receives all data that are supplied by the biz²Scanner as single documents or from the processing in batch of a multi-function unit.

For this purpose, every received invoice firstly gets a barcode sticker, which provides it a unique status on the one hand. As a result, doublings caused by an inadvertent double receipt or through manual copies are excluded from the beginning. Apart from that, the stickers work as separating "bookmarks" because the system automatically allocates various successive sheets or invoice attachments to the code on the front page." For Jürgen Ullrich, the data capture through barcode therefore accomplishes an important contribution to the entire process security.

Reliability and quickness of the processes

The process itself works like this: The invoice data incl. image which are identified and read-out by the biz²ScanServer are firstly transferred to the biz²Archiver. inPuncto CEO Dr. Frank Marcial explains the reason why a separate archive is used: "In opposite to the SAP Content Server, the biz²Archiver is an appropriate SAP archive within the law - through to the complete compression and encoding of data/documents."

In addition to the compliance-relevant reasons, it exists also software-technical reasons for the biz²Archiver: "It is not an elegant solution to save documents in the SAP data base. We need the possibility for all modules in SAP to specifically - via SAP management - file them, archive them resp. provide them for further routines."

Because SAP does not only control the invoice capture, the automated document separation via barcode and the OCR through the inPuncto software modules, but in the further process rather for example the automated comparison of the read-out values with master data in the system, too. Afterwards, the different workflows are started according to the contents of the invoices, that means the document type: Invoice with reference to the purchase order are handled in another way than individual invoices, services invoices in another way than investment invoices with high amounts and appropriate release hierarchies.

An additional advantage of a direct SAP connection of the inPuncto software is that the once captured invoices are immediately available for all accessors - also if they are not even released. The data therefore can be always viewed through the monitoring in the invoice cockpit for supervisory purposes or used, if necessary, for economic analyses in SAP FI.

In the next process step, every invoice is directly controlled by the accounting after the automated capture and before the release process. In doing this, the inPuncto software component biz²DocumentControl assists the employees, suggests input routines and warns of potential faults.

At Siegfried AG, the chief accountant Ines Ernst and her employees are highly content with the simple handling: "The biz²DocumentControl works very structured: Input fields that are highlighted in color indicate potential faults. Here, the employees again go into detail and look if actually there are discrepancies. Here, it is very practical that corresponding scan extracts of the original invoice are enlarged for the control or the demanded value is simultaneously showed at the scan image of the invoice."„

The biz²DocumentControl especially validates the three critical values of every invoice and alerts after automatically feedback with SAP in case of missing goods receipt, quantity deviations and false invoice amounts. Whereas input fields with a white background color are completely identified by the system.

„The biz²DocumentControl works very structured"

If the biz²DocumentControl in addition to that finds (at reference to the purchase order) the right order number, the appropriate creditor will be automatically dragged and the invoice can either be booked immediately or supplied to the corresponding "approver" in SAP in a release routine which is system-sided allocated to the invoice.

Here, a further advantage of the solution with a wide integration in SAP becomes important. Ines Ernst: "The order capture does not specially have to be validated again because the items are automatically allocated to the order positions which are deposited in SAP. The interaction of the biz²DocumentControl with the total SAP system allows short processing times and fast invoice payment when due. Through the validation process we almost have no dunning letter anymore and can better use the cash discounts."

Deeply integration in SAP

Certainly, the software by inPuncto initially has to be implemented for test purposes and adapted wherefore the chief accountant Ines Ernst is convinced: "For the introduction of a SAP FI software for the electronic invoice processing it is inalienable one the one hand to have a good rapport with the support of the software producer and on the other hand to fluently cooperate with the own IT section. Finally, the colleagues have to begin to shovel resources to implement the new tools." Maybe it also helped that the project at Siegfried AG was started from an analysis of the ERP. IT leader Jean-Claude Flury: "We identified processes in the entire company that could be designed more efficient and therefore deployed corresponding working times as objective.

The invoice processing, at which we could observe a pleasant cost-benefit ratio after the installation, was also part of it." But the Swiss IT specialist does not only look at the pure numbers - "at the latest after one year we had the Return of Investment, here" - but rather sees many aspects that bring an invoice processing system being well integrated in SAP. In addition to the work simplification being directly noticeable at the accounting, also the employees at the special departments could faster process their invoice controls and concentrate on their proper tasks. Flury: "There existed many partial aspects that noticeable improved. That quickly makes itself felt also in a complex system like SAP."

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Chief accountant Ines Ernst also sees further savings potentials of SAP FI software being easy to handle: "The inPuncto programs are designed in a self-explaining and structured way. Like that, we could train all employees on ourselves without high effort." Through the easy handling and the fast intelligibility of additional programs being most widely integrated, one also reaches the necessary acceptance for such innovations.

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