



Off to a flying global start: Invoice management at Eissmann

- Symbiotic implementation of ECM and SAP
- Automated inbound invoice capturing
- Workflow-supported invoice verification and payment release
- International roll-out

BEST PRACTICE Eissmann Group Automotive

Management summary

When it decided to adopt a uniform, company-wide information management system based on the Doxis4 ECM platform from SER at the end of 2011, Eissmann Group Automotive went far beyond ensuring legally compliant document retention in the company. The focus of the Eissmann ECM strategy was and is on designing integrated processes which can be traced and managed transparently at all times and for every department. One important component of implementing this strategy was the automation of inbound invoice processing. Doxis4 InvoiceMaster represents all processing steps of inbound invoices: from invoice reading to workflow-supported invoice verification. SAP and Doxis4 enterprise content management (ECM) were launched simultaneously. With input from key users, Eissmann was able to tailor processes and workflows optimally to the company's needs. The result: complete transparency in all processing steps of invoices, adherence to cash discount deadlines and better liquidity planning.

The company

Eissmann Group Automotive, a leading supplier of the automotive industry, is based out of Bad Urach, Germany and has 5,000 employees working across 12 locations. The international supplier produces complete vehicle interiors, trim components and shifter modules. With revenues of 470 million euros in the fiscal year 2017, the family-owned and independent company has been steadily growing since its foundation in 1964. It has become an important development and production partner to automotive manufacturers. Eissmann has taken on the challenge of establishing its IT strategy worldwide as an integral component of the value-creation processes of its internal departments and among vehicle manufacturers.



Project facts and figures

TOPIC:	Automated inbound invoice processing
CUSTOMER:	Eissmann Group Automotive, Bad Urach, Germany
INDUSTRY:	Automotive supplier
EMPLOYEES:	5,000 employees worldwide
COLLABORATION:	April 2012: Kicked off Eissmann ECM project "integrum"; Q3 2013: Launched invoice management
SER SOLUTIONS:	Doxis4 InvoiceMaster Read for automated invoice capturing and Doxis4 InvoiceMaster Control for SAP for workflow-supported invoice verification
INTEGRATION:	ERP: Infor XPPS and SAP
HIGHLIGHT:	Parallel ECM and SAP launch
WORKFLOW PARTICIPANTS:	Up to 3,800 employees (according to authorization concept)
DOCUMENT VOLUME:	At the project start, ca. 80 invoices daily; now at 100 to 120 daily
INTERNATIONAL ROLL-OUT:	USA, Czech Republic and Mexico

A modernization boost in accounting

Over the 50-year success story of the automotive supplier Eissmann Group Automotive, the year 2011 marked a milestone. This was the year in which Eissmann took a decisive step towards ensuring its ability to handle future challenges facing the automotive market and its suppliers. Its aim was to facilitate an IT-supported way of working across the company that would ensure more efficient and transparent processes. The steady international growth of the automotive supplier was managed from its headquarters in Bad Urach, Germany. The company wants to provide all information in every step of its business processes in a cost-efficient and transparent way that does not require the user to switch between media. After the company developed a comprehensive ECM strategy for all company areas, it then successively launched concrete Doxis4 ECM solutions: a digital archive, eFiles and, in 2013, automated inbound invoice processing. During the software selection process, Eissmann looked carefully at several different products. SER's Doxis4 InvoiceMaster fulfilled important criteria such as functional scope, scalability and adaptability for an international roll-out. Its multilingual capability and the ability to account for diverse global VAT rates were likewise very important.

The dynamic duo: SAP and InvoiceMaster

The company set itself an ambitious goal: to simultaneously establish a uniform and high-performing foundation for accounting, based on SAP for business processes and on Doxis4 InvoiceMaster for faster and higher quality vendor invoice processing. The key users played an important role in the introduction of the systems. They not only had to familiarize themselves with the processes of the new SAP system, but, at the same time, they also had to create a database which could be used to test the InvoiceMaster Read module for data extraction and InvoiceMaster Control module for invoice review. "The parallel launch of ECM and SAP was a huge success for the whole company," comments Jens Michel, Head of Finance at the Eissmann Group Automotive. Cornelius Hilbig, Head of Digital Services/IT at Eissmann, adds: "Particularly in automated invoice processing, a separate implementation and adaptation of the processes defined in SAP to the ECM requirements would have been much more difficult than a symbiotic procedure involving everyone concerned."



In addition to invoice management, Eissmann uses many other Doxis4 ECM platform solutions



"Employees feel especially comfortable working with the system in their own language."

Cornelius Hilbig, Head of Digital Services/IT, Eissmann Group Automotive



Automatic inbound invoice processing began at the Bad Urach headquarters in the spring of 2013 and was successfully concluded on August 1, 2013.

The SAP and SER solutions were rolled out very quickly around the globe, as the first project was a success and could be used as a template for roll-out at other locations. The project template defines the interconnected processes in SAP and Doxis4 InvoiceMaster and is supported by workflows. The only aspects left to be handled are the localization, language and other potential legal factors. In order to have valid data available for invoice reading and verification, the international roll-out of automated invoice processing takes place three months after the SAP system has gone productive. Currently, SAP and Doxis4 InvoiceMaster are being rolled out in the Czech Republic, the US and Mexico. The multilingual capability of the SER systems enables Eissmann to use the applications in the local language, which greatly increases acceptance and productivity.



Two ways to verify invoices

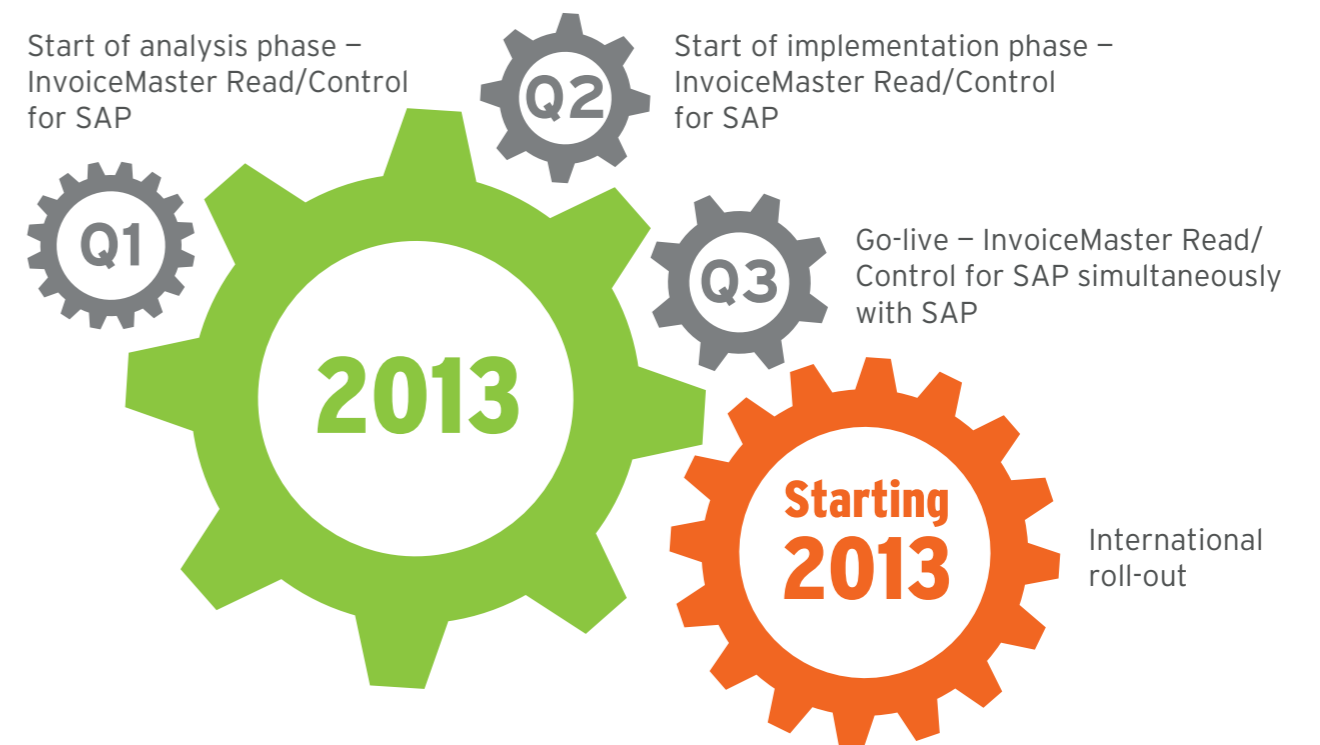
The first step of the invoice verification process involves determining if the invoice is for financial accounting (FI) or materials management (MM). Currently, approximately 80 percent are non-serial invoices (MM) and 20 percent are serial invoices (FI). Invoices with a purchase order reference (MM) are verified and released in one step. These invoices with a purchase order reference are verified in the SAP system ahead of time through workflows. If there are deviations, the workflow sends inquiries to the Purchasing or Incoming Goods department. If the MM invoice matches completely with the order, then it can even be posted fully automatically. At the production sites of Eissmann, orders are primarily based on contracts, which can be processed at a high degree of automation.

At the headquarters in Bad Urach, however, there are mostly non-serial invoices. "When verifying the accuracy of the invoices, the many different foreign VAT registrations of the Eissmann Group Automotive must be accounted for in the VAT audit. The SER solution generates significant added value and minimizes the risk of having to pay VAT in the input tax range. Invoices without a purchase order reference take the FI path," explains Krohmer, "All invoices without a purchase order reference are sent via the workflow to the group workbasket of the department in question for release." Deputy rules are already defined here. Invoices undergo an objective verification through Doxis4 InvoiceMaster Control for SAP.

Accounting goes digital

Before the launch of InvoiceMaster, invoices were mostly processed manually at the headquarters in Bad Urach – back then, it was approximately 80 inbound invoices per day. The systems Infor XPPS (an ERP solution for the automotive sector) for invoice verification and SAP FI for invoice booking were used. When questions came up in invoice verification, e.g. price or volume deviations, the employees dealt with them without any technical support, which involved a great deal of manual work. "It was okay up to a certain number of invoices. At some point, however, this method caused confusion. We recognized that the entire process could only become more transparent and more effectively organized with IT support," recalls Britta Krohmer, Head of Financial Accounting at Eissmann.

Now, Doxis4 InvoiceMaster digitally maps all processing steps of inbound invoices at Eissmann. Invoices are captured from all kinds of media and channels, e.g. mail, fax, email or eInvoice; partial and collective invoices or credit notes are also processed. They are scanned, read (extracted) and validated. Once the invoice has been captured, a process is automatically triggered in the SAP system and the invoice is entered into the Doxis4 InvoiceMaster monitor. All invoice data that has been read and validated is then transmitted to SAP, managed in the invoice monitor and constantly updated. The Doxis4 InvoiceMaster monitor is the central information cockpit of invoice processing; it offers a complete overview of all invoices. It gives Eissmann complete transparency to prioritize invoices in terms of due dates, time periods, cash discounts and more.



Automatic inbound invoice processing was launched at the Bad Urach, Germany headquarters, followed by the roll-out



"The workflow reminds an employee via email, automatically and without further action, that certain steps in the process still need to be completed."

Britta Krohmer, Head of Financial Accounting,
Eissmann Group Automotive

Once the verification is complete, the workflow is redirected back to the Accounting team and the invoice is posted, as the Head of Financial Accounting reports. In the second stage, FI invoices still have to undergo an explicit payment release (also required of some tool invoices for MM). Eissmann itself developed the tool for web-based payment releases, which the employees use readily. The tool has now been integrated with InvoiceMaster Control and SAP. Using the payment release tool, the responsible employee from the cost center or project releases the verified invoice for payment. In principle, all Eissmann employees are able to take part as approvers in the web-based invoice release procedure. The access rights concept makes sure that people can only see and approve those invoices for which they are actually responsible.

In introducing InvoiceMaster, Eissmann has also enabled for the receipt of electronic PDF invoices. The SER solution regularly checks whether there are new eInvoices in the corresponding email mailbox and transfers them to Doxis4 InvoiceMaster for further processing. Furthermore, the SER solution has also enabled Eissmann to be ready for ZUGFeRD, an invoice standard in Germany. The XML data sent with the PDFs ensure that the invoice data can be transferred into the system even faster and without any errors.

Transparent and secure

The entire process for automated capturing, assignment, verification and posting of inbound invoices is transparently documented and archived in an audit-proof way. Defined access rights structures with authorization and authentication guarantee that invoice processing is secure. Beyond this, the system has been continuously optimizing since going live, thanks to generic and self-learning invoice processing methods. Access rights specify which views and functions are available to which employees.

Above all else, the Head of Finance Jens Michel appreciates the fact that the processing steps are seamlessly documented: "We now have an integrated system that allows you to trace a document's entire history from start to finish. What's more, each invoice document is automatically digitally archived. This is new for us. In the past, we had a relatively complex paper filing system."

Automatic reminder emails notify those involved in the release process if an invoice still has to be reviewed and released. If needed, Britta Krohmer, as Head of Financial Accounting, can intervene quickly to ensure that a cash discount deadline is not missed: "Today we have the huge advantage that we have an overview of all documents – for example, those that are due now but have not been posted. This means that we can directly contact the processor and ensure that the process steps are taken immediately." Furthermore, these process steps are checked by automatic escalation deadlines. It has been possible to improve process quality overall through the targeted management of the individual processes. "We quickly identified which processes were causing problems and acted accordingly. This helped us immensely," declares Krohmer. Jens Michel adds: "We would not be able to perform in Accounting as well as we do today in if we had stuck to the old processes."

Benefits of automated invoice processing



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*"It was a huge success
for the entire company."*

Jens Michel, Head of Finance,
Eissmann Group Automotive



Another positive side effect is that transportation times and idle periods – typical problems of paper-based systems – have been eliminated. A paper invoice is handled only once by an employee: when it arrives and gets scanned. The rest of the processing is based on the digital image, which can be viewed at any time or place. Jens Michel appreciates this in his own daily work: "I can grant the payment release for an invoice from anywhere in the world. I no longer need the original paper document to do that." Thanks to the perfect integration with the Doxis4 supplier eFiles, implemented back in 2012, not just the invoice, but also the related order, offer, delivery note, approval of requirements, etc. can be viewed.

Higher quality in shorter times

At Eissmann, Doxis4 InvoiceMaster and SAP work in harmony. Automated inbound invoice processing has provided considerable productivity benefits: the average time it takes to process an invoice has more than halved. Before Doxis4 InvoiceMaster was introduced, it took approximately 15 to 17 minutes per document; now, with the Doxis4 solution, only around 5 to 8 minutes are needed. As processing has become more than twice as fast, the same number of employees can process an increased volume of invoices (which has risen considerably since the start of the project to an average of 100 to 120 invoices per day) at even higher quality than before.

One sure sign that the project was going to succeed quickly was the excellent collaboration between the Eissmann project team and SER's Professional Services. "SER provides us excellent on-site support," praises Jens Michel, speaking of the SER project team. "They demonstrated a high level of expertise in the area, understood immediately what our needs were, and implemented them effectively." With the automated processing of inbound invoices, Eissmann has taken an important step in achieving an ECM strategy that focuses completely on optimized processes and transparency.

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■ The countries marked in dark blue have 1 of the 12 languages supported by Doxis4 as their official language.

*Measured by revenue according to the Market Share Analysis: Enterprise Content Management, worldwide, 2014 (Gartner)

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