



Three-Way Match in Invoice Approval – The Path to Touchless Posting

Messe Stuttgart
Mitten im Markt



After moving to S/4HANA, Messe Stuttgart tackled another important issue: setting up an end-to-end SAP-integrated P2P solution

Electronic invoice processing was nothing fundamentally new for exhibition and trade fair center Messe Stuttgart when it decided to switch to xSuite's solution at the end of 2019. After all, they had been using a solution of this sort for ten years. However, that system had run outside SAP and was no longer supported by the manufacturer. The company made a switch to S/4HANA, and immediately started searching the market for a future-proof alternative that could run integrated with the new SAP product generation.

„It was important for us to have a solution that was fully integrated with SAP because, in our work in the finance department, we always use SAP as the core system. xSuite meets the criterion of integration one hundred percent,“ explains Lukas Dilger, specialist in financial systems and processes at Messe Stuttgart.

Two other important reasons spoke in favor of the software from Northern Germany: Firstly, it can be used to process electronic invoices – not just PDF documents but also structured formats such as the German XML invoice formats XRechnung and ZUGFeRD, the volume of which Lukas Dilger predicts will increase sharply in the midterm. Secondly, instead of external workflows, in which data is not transferred to SAP until the process has been completed, there is now an integrated solution that treats all inbound channels in a uniform manner, transferring the invoice data to SAP right at the start.

Company

Web: www.messe-stuttgart.de
Sector: Gastronomy, Tourism & Leisure
Headquarters: Stuttgart, Germany

xSuite® solution

P2P scenario with SAP integrated solutions for procurement and invoice automation

Decisive arguments for xSuite

- Fully SAP integrated solution
- Processing of E-Invoices (PDF, XML formats)
- Integrated Fiori strategy

Systems integration

SAP S/4HANA

Messe Stuttgart & xSuite

Image source: Landesmesse Stuttgart GmbH

**Holistic Fiori strategy**

Another point in favor of xSuite Invoice was that it offers management of numerous functions via Fiori tiles.

According to Dilger, „xSuite offers a comprehensive Fiori solution, aligning it closely with SAP's new user interface concept, which we also use intensively in the company. A single interface allows direct access to all areas of P2P. This simplifies things considerably, especially for users outside of finance.“

The project started in May 2020, and the solution has been in productive use since November of the same year. The average number of invoices received by Messe Stuttgart verges on 30,000 annually. The company has now succeeded in reducing the proportion of paper documents to ten percent, with 85 percent entering the system as PDFs through e-mail and five percent as genuine e-invoices, i.e., structured data records that no longer have to go through OCR. For invoices that extend over a defined period, SAP provides functions for so-called recurring entries. Messe Stuttgart processes these transactions with a specially designed component from xSuite – xSuite Recurring Documents – through which recurring documents are created, edited and checked.

No more duplicate releases thanks to three-way match

Around 60 percent of incoming invoices at Messe Stuttgart have a purchase-order reference in SAP MM, a proportion that they want to move up to the 100 percent mark. This explains why they introduced the procurement solution xSuite Procurement at the time they deployed invoice automation.

„By linking procurement and invoice approval, we can set up an end-to-end P2P process,“ says Dilger, describing the new approach. Invoices are based on purchase orders that have already gone through a release process. So when they arrive, only a three-way match needs to happen – i.e., a comparison of the invoice with the purchase order and goods receipt, including a check for possible discrepancies in quantity or price.

„If everything is correct, it's no longer necessary to check whether the invoice is correct, or to approve the invoice – we can use touchless posting for the document, which saves us quite a bit in processing costs, given that we don't have to deal with duplicate approvals.“

Real-time data in SAP

For finance expert Dilger, one of the key benefits of a fully SAP-integrated solution is the availability of real-time data in the ERP system. Since the workflow used to take place outside the ERP system, whenever the accounting department wanted to view accounting information, it could only do so with a delay, namely after the information had been transferred into the system. In Controlling, too, accounting data was not available until after it had been completely posted.

As observed by Dilger, „With the new xSuite solution, purchase orders are placed and the obligation is also available immediately in Controlling, where it is posted directly upon invoice entry or goods receipt. This allows us transparency in cost management.“

Deploying the entire new system on a remote basis in times of pandemic was a challenge for everyone involved; however, thanks to the xSuite team's experience, it went well. Around 350 users at the Stuttgart site are now connected to the workflow, and five people in the accounting department work with the system. Across the board, their feedback is consistently positive. This workforce, which has worked with SAP interfaces for a long time, did not have to familiarize themselves with a new type of software before moving on with their work, a result of the xSuite solution's SAP integration.

Lukas Dilger notes, „Our employees can jump directly from the invoice documents to other SAP transactions such as the function for viewing the corresponding purchase order. The availability of real-time data is also helpful – overall, a significant relief in daily work.“