



Invoice Processing at Full Tilt

New workflow solution creates the basis for electronic invoice receipt at Vorwerk

Implementation of workflow system for automated invoice processing in SAP was long on the agenda at Vorwerk. IT projects in progress needed to be finished up. Then, in 2014, the distribution company Vorwerk Deutschland Stiftung & Co. KG, headquartered in Wuppertal, was able to start with its invoice-processing project. Parallel to the implementation of the xSuite workflow solution, Vorwerk switched over paperless invoice receipt step by step. Since successfully launching the solution, other corporate and national affiliates in Switzerland and France showed interest in the solution.

Vorwerk & Co. KG was founded in 1883 in Wuppertal. Over the course of its 130-year history, the former carpet factory has developed to become a broadly diversified global group of companies with its core business in the direct marketing of high-end products (household appliances, cosmetics, etc.). Vorwerk is active in over seventy countries. It generated a business volume of 3.1 billion Euros in 2013. Vorwerk Deutschland Stiftung processed all its incoming invoices along the paper path until 2014. Financial Accounting at the Wuppertal headquarters either received invoices directly from vendors or by way of one of their 100 branch offices (district offices, retail shops) and processed the documents manually in SAP. If the branch office had already initialled the invoice, it would be posted directly.

If, on the other hand, it was unclear whether the delivery or the service had been delivered, then the invoices would be sent by company mail to the purchaser for approval and release. If there was no response, the procedure would be repeated. In this process, neither did invoice entry proceed according to a clear scheme, nor was quick verification of invoice information possible.



Company:

Web: www.vorwerk.com
Sector: Retail Market
Headquarters: Wuppertal, Germany

xSuite® solution

- SAP integrated invoice processing including paperless invoice receipt (xSuite Invoice)

Decisive Arguments for xSuite

- Deep integration with SAP and SAP-certification of xSuite products
- xSuite's experience in international project implementation

Systems integration

- SAP ERP, IBX

SAP-certified and International

“With the switch to electronic processes, we anticipated shorter processing times for quicker invoice cycles, greater transparency in open payables, and cash discounts resulting from prompt payment,” says Sylvia Cornelius, Director of Accounting at Vorwerk Deutschland Stiftung & Co. KG.

The main reason Vorwerk decided to take the xSuite solution was the depth of its SAP integration and the fact that its products are SAP-certified. xSuite’s experience in international project implementation also played a decisive role in the initial decision. In mid-2014, xSuite integrated the whole solution—scan and document capture, SAP and email interface, invoice workflow and archive interface—into two SAP ERP systems with four company codes. The project was launched with a pilot project at the headquarters in Wuppertal, which posts around 35,000 incoming invoices a year.

Now all invoices are received centrally at that location. They are scanned and processed with the solution Capture, which extracts the fields to be filled in SAP — invoice date, invoice number, gross amount, etc. This information is automatically checked against SAP master data and transferred to SAP. It then moves on to the release workflow xSuite Invoice. From there, notification messages of incoming invoices land in the inboxes of the persons responsible for them. They can verify the invoice details or perform release—all on the web interface, bypassing SAP login.

Just as SAP ERP, the entire xSuite system has been outsourced and runs on a server at an IT service provider rather than on the inhouse servers of the Vorwerk group. In a follow-up project, the Vorwerk Elektrowerke (a Vorwerk Engineering company) will come on board with 25,000 more invoices annually. A total of 190 users will then work with the solution. This includes the employees in Financial Accounting and the releasers from other departments.

“It’s so fast, you can’t even see it!”

An important aspect that Vorwerk considered when purchasing the electronic solution was that they would be able to receive more electronic invoices in PDF. If this were not the case, they would have to print the PDFs and use manual processes to channel the invoice data into SAP. With the new process, new email accounts were created as addresses to which the vendors could send their invoices. The Interface Mail retrieves the invoices from the mail-boxes.

The xSuite software empties the mailboxes about every second,” says Sylvia Cornelius. “It’s so fast, you can’t even see it!” Just as is the case with paper invoices, the digital invoices are captured, the data checked against the information in SAP, and the documents transferred to the workflow.

Vorwerk & xSuite

Vorwerk began with electronic invoice receipt at the end of 2014, first with the invoices of the affiliated company Hectas, a provider of facility services. Around 15% of the distribution company's total of 35,000 incoming invoices is received at Hectas.

Automated invoice processing with xSuite has led to a clear reduction of invoice processing times at Vorwerk. 80% of the invoice documents is now ready for posting in one or two days. In the past, this would have taken up to two weeks. They receive fewer late notices, and Financial Accounting can create an accurate picture of the financial status when compiling the monthly and annual statements.

A special characteristic of the project is the connection of the workflow to the ordering system IBX used at Vorwerk. The IBX system does not, however, synchronize its data with SAP. The xSuite workflow therefore queries IBX as to whether there is a purchase order for an invoice, and who placed the order. This person receives the invoice to check it and to confirm goods receipt in IBX.

“xSuite developed an interface to IBX for this—the ideal would of course be the use of the SAP-integrated procurement package xSuite Procurement since the goods receipt is automatically posted in SAP when the invoice is approved,” says Sylvia Cornelius. For this reason, she has already begun to take a closer look at the xSuite purchasing solution.