ORDER CONFIRMATION SOLUTION

BIZERBA

Challenge:

» Digital processing of incoming order confirmations across different channels with the aim of achieving the best possible automation

Solution:

» Introduction of the AFI solution for digital processing of incoming order confirmations

Benefits:

» Transparent overview of all order confirmations and their processing status
» Reduction of manual effort
» Increase in automated posting

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Bizerba is well prepared to set out for Procurement 4.0

Bizerba set standards around weighing systems as early as the 19th century. Meanwhile, these technical marvels are digital all-rounders and in use across the globe. The balanced relationship between tradition and innovation has promoted the development from a scale manufacturer to a technology company. This spirit pulses more strongly than ever across the entire company: work is underway to implement Industry 4.0 throughout all business units - including purchasing.

Purchasing at Bizerba is organized on a decentralized basis. The strategic unit is located at the headquarters in Balingen, while the operational part is structured according to product areas and spread across Germany. Initially, the task was to banish paper from the processes and convert them to a digital process flow. An important key figure in this context is on-time delivery (OTD) which is a measure of the efficiency of processes and supply chains. One lever for determining this key figure is excellent data quality. Therefore, Bizerba has defined and standardized the processing of incoming order confirmations as a process in the first step - with the objective of the highest possible automation and evaluation.

The weighting is on the core competence

Another factor driving digital solutions is also deeply rooted in Bizerba's corporate culture: the staff. The skills of the specialists are highly valued, as Matthias Frese, former Director Global Sourcing at Bizerba, explains:

„In my opinion, our staff should do exactly what they are best qualified to do. This certainly does not include processing mostly order confirmations. In order to spare our staff from this activity, the processes need to be automated as best as possible. Not only is the efficiency increased, but we are also provided with clear data that allows us to better measure and manage on-time delivery. Delivery reliability is a high priority for us as it is ultimately the key to our assembly processes."

The Balingen-based company harmonized the process and at the same time converted the document exchange with the suppliers to e-mail. However, this was only the first step on the way to digital purchasing. The focus was on implementing a predominantly electronic data exchange with EDI (Electronic Data Interchange) or webEDI. Even though order confirmations come in by e-mail, they are often text files or PDFs that still require manual maintenance.

Single Point of Information

Sandra Rapp, Process Manager in Strategic Purchasing at Bizerba, had the task of getting automation off the ground and helping to drive it forward. It was clear to her that EDI cannot be implemented everywhere and that a central system to process incoming order confirmations within SAP is needed in which all paths converge. As a result, the company introduced a solution for the digital and automatic processing of order confirmations within SAP. Sandra Rapp explains why Bizerba opted for the AFI solution:

„A special feature of AFI's solution is the clear structure of the processing cockpit, which is completely in line with our ideas. The traffic light function, role and authorization controls or the standardization of different data streams create a transparent »Single Point of Information«. This allows us to track where an order confirmation is located and what processing status it has at any time, even in cases of substitution."

Automatic posting

„With the new system, the persons in charge are spared a great deal of manual effort," Rapp continues, „they no longer have to manually attach order confirmations to the SAP system, for example, as this is now done automatically. Many data fields are already filled in by Optical Character Recognition (OCR). However, OCR continually needs to be optimized and trained. For two vendors, we have already fine-tuned the technology so that automatic posting is possible."

Nevertheless, Bizerba's future orientation is to process as many documents as possible via EDI. This is because EDI data eliminates the need for OCR reading, which logically increases the potential for automatic posting. David Simeone, Head of Operational Purchasing, has meanwhile taken over the operational development of the project and underlines the relevance of EDI:

„Last year, we processed around 58,000 documents in SAP with the AFI tool - and counting. In the next few years, we intend to continue automating our processes using EDI, because the system will then check for deviations from the price, quantity, or deadline. If there are no variances, everything is directly posted automatically. The less my operational buyers catch sight of an order confirmation the better. Our goal is to keep the documents to a minimum for the operational and strategic buyer. We're headed in the right direction, but we still have a long way to go."

When asked about employee acceptance, Simeone says, „The employee acceptance was there the moment it became clear that we now spend less time maintaining order confirmations than we used to, and the process has become more convenient."

Reliable supplier ratings due to high data quality

The OTD measurement project ran in parallel with the introduction of the AFI solution for the digital processing of incoming order confirmations. Many suppliers often confirm only partial delivery dates or partial deliveries, all of which are now transparently recorded in the new SAP add-on. This increases data quality, enabling Bizerba to determine a more reliable OTD key figure for negotiations with suppliers.

Conclusions

Bizerba is on the way to Purchasing 4.0. Even though the added values are obvious, many companies still shy away from taking this path. Bizerba has invested a lot of time and continu-

es to do so. At the beginning of the solution implementation, the decision-makers did not want to make too many customer-specific adjustments to the AFI standard, even if there were special features such as the index check, manufacturer parts check or manufacturer part number check. The implementation of the solution only took about four months. This was simply because the project team had already prepared the ground, as Frese concludes:

„It is a challenge to delve into our processes and coordinate them with the IT department in such a way that the systems are implemented in the best possible manner. In this respect, I am very grateful to have Sandra Rapp and Davide Simeone on the team. It requires a great deal of detailed work to get to this implementation stage. The whole company always has to be involved as well, which is definitely something you have to and should take time for."

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Bizerba provides customers in the trades, retail, industry, and logistics sectors with a globally unique solution portfolio of hardware and software for the central variable of »weight«. This portfolio includes products and solutions for slicing, processing, weighing, cashing, checking, commissioning, and labeling. Comprehensive services ranging from consulting and service to labels and consumables, with leasing to round off the range of solutions.

The headquarters of the group of companies, which has been family-owned for five generations and employs around 4,300 persons worldwide, is in Balingen in Baden-Wuerttemberg. Further production sites are located in Germany, Austria, Switzerland, Italy, France, Spain, China, and the USA. In addition, Bizerba maintains a global network of sales and service locations.

www.bizerba.com

AFI Solutions GmbH is a leading solution provider for the digitization and optimization of document processes around SAP. The solutions cover the entire purchase-to-pay and order-to-cash process.

AFI is the only software manufacturer on the market that offers everything from a single source: With the RedPaperCenter as a managed service, companies can easily outsource the digitization of a wide variety of paper documents. In process optimization, AFI scores with SAP-integrated software solutions. The cloud-based DocumentHub as software as a service (= SaaS) completes the unique product portfolio.

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