

INVOICE SOLUTION

BREUNINGER



Challenge:

- » Introduction of a digital solution for incoming invoices

Solution:

- » Quickest possible implementation of AFI Invoice for SAP with the option to continually enhance the solution

Benefits:

- » Faster processing times
- » Full transparency on the processing status of incoming invoices
- » Location-independent invoice release via Web Client



Digital Invoice Processing goes Fashion, Beauty & Lifestyle

Style can be changed or reinterpreted several times a day: Breuninger provides the beauty and lifestyle heart with everything it could wish for. Similarly, the IT world provides a comprehensive portfolio to make working life better. Digital technologies in particular provide a better overview and control of complex processes. However, an IT transformation requires far more than just a makeover day: strategy and patience are in demand.

Transparency was one of the main reasons for Breuninger to opt for a digital solution for incoming invoices in SAP. Before implementation of the solution, the receipt of invoices was largely decentralized at the Stuttgart-based company. The documents, which were mostly paper-based, were distributed throughout the company, as Stephanie Merz, Project Manager Finance & Accounting at Breuninger, recounts:

„Due to the decentralized receipt of invoices, we had no overview as to whether invoices were already in-house, where the invoices were for processing or where they were stuck. Therefore, our primary objective was to create transparency throughout the invoicing process. In addition, the paper-based internal distribution of incoming invoices had a negative impact on processing times and consequently on the degree to which cash discounts were utilized.“

Process Optimization: the Journey is the Destination

Digital transformation is a path that companies must take and then follow consistently, Ms Merz expressly emphasizes:

„Even if companies feel confident that they have found the best digital solution for SAP: implementing a solution

for incoming invoices is not complete once the software has been introduced. It takes a complex interaction of many persons, departments, processes, and technologies. In order to obtain a satisfactory result, the willingness to change on the part of everyone involved is required, with the awareness that this will entail continuous process adjustments - even beyond the defined project duration. Of course, external factors also play a role, such as the changeover at the vendors. It's important to be on the ball at all times.“

Everyone needs to do one's bit, Ms Merz continues: *„Despite all the work that still lies ahead, we are already benefiting enormously from the advantages of the digital invoicing solution of course. We would not have been able to master the last year so well without the conversion. Basically, the introduction of such a solution requires*

a commitment from everyone involved to pursue the continuous path of improvement as a team.”

Workshop and Workflows

Rapid implementation of the AFI Invoice solution was important to Breuninger. Before starting the project, the actual processes of all divisions with a high number of invoices were documented and visualized in diagrams. The fashion and lifestyle company receives around 200 to 350 invoices per day. However, in the workshop with the supplier AFI Solutions GmbH, it became clear that a standard implementation was out of the question.

The project managers decided to take the approach of an MVP (Minimum Valuable Product). Therefore, the project started with a single-stage approval workflow, which was later expanded to two different workflows.

During invoice release, there is a factual examiner as well as a cost center manager. The latter either also performs a factual check and approves the invoice immediately, or a factual examiner needs to be consulted. Factual examiners can also be defined in advance by the cost center managers, otherwise the invoice will first be sent to the cost center manager.

For this reason, it is important that vendors include the cost center on the invoice. Depending on the personal approval limit, approval of the superior is also obtained.

These days, the entire process can be carried out and visualized digitally in the system. Approval takes place online via a web interface.

Vendors, Paper, and lots of Patience

When introducing a digital solution for incoming invoices, it is of great advantage if vendors play along as effectively as possible. Before software introduction, the proportion of paper invoices was relatively high which is why all vendors were contacted in due time and informed about the new invoice requirements. Initially, things did not work out quite as hoped for, reports the project manager:

„As a matter of fact, only a few vendors responded in the beginning. But we were aware that this process would take some time. That's why we also created a handout for our employees. In direct, personal communication with vendors, or when placing an order, it is used to remind them again that we require the invoices by e-mail and that the cost center needs to be included on the invoice. In addition, we contact

vendors with a high number of invoices again personally. The success rate of this approach is much higher. Furthermore, the large number of persons working from home during the Corona lockdown has resulted in vendors going digital as well.”

If the cost center appears on the incoming invoice, the approver is found automatically. The same applies to invoices from vendors that have been assigned to defined factual examiners. Otherwise, this is still carried out manually.

Transparency and faster Processing Times

Breuninger has invested a great deal in accelerating the processing of incoming invoices. However, processing times are still significantly influenced by the individual processors.

At the moment, the responsible parties focus on ensuring that the digital path becomes a routine - for the vendors as well as for the company's own workforce. Use of the digital solution has already paid off, as Ms Merz concludes:

„Digital processing of incoming invoices is a great benefit for us. With AFI Invoice, we now know exactly where which invoice is located and can track the processing status at any time. Transparency remains a decisive advantage for us. In addition, we appreciate the digital and location-independent invoice release even more in times of a high proportion of persons working from home due to the Corona pandemic. This demonstrates that the digital path is the more sustainable one, as it enables companies to react more flexibly and better to the unexpected.”

Founded in Stuttgart in 1881, Breuninger is one of Germany's exclusive department stores. There are now 11 stores in Stuttgart, Duesseldorf, Ludwigsburg, Sindelfingen, Nuremberg, Freiburg, Erfurt, Leipzig, the Main-Taunus-Center, Karlsruhe and Reutlingen.

Breuninger inspires with its unique shopping experience. 5,500 employees across Germany ensure that customers feel completely at home.

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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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