INVOICE SOLUTION

Diehl Aviation

Challenge:

» Implementation of a system for automated
invoice processing over the course of the spin-off

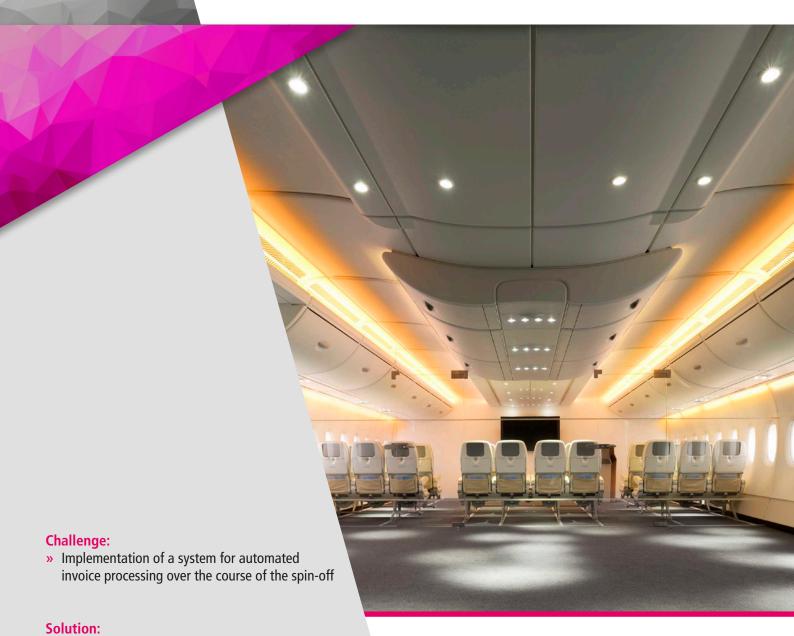**Solution:**

» Custom-fit integration of existing systems and an
external service provider
» Integrated solution for EDI and paper invoices in SAP

Benefits:

» Reduced processing times of transactions
as well as lower costs
» Optimization of existing processes
» Fast project implementation and short project duration

AFI
SOLUTIONS

Security and convenience for invoice receipt processing in SAP

Full service is not just a matter of aircraft cabin outfitting at Diehl Aviation. In the selection of manufacturers and vendors, attention is also directed to a high level of service competence and flexibility. Both reduce the workload and save time - time that is extremely valuable in the competitive international aviation industry. In order to gain time and optimize company processes, an automated system for processing incoming invoices was to be introduced in SAP. It was decided to implement the software solution AFI Invoice.

High complexity and high quality requirements

Aircraft construction is a supreme discipline for engineers: seldom does such a high level of complexity meet such high quality standards. After all, airlines face fierce competition, have to budget costs, and still distinguish themselves with individual equipment.

This means that a key role is played by the part of the aircraft with which the passenger comes into direct contact and which has a strong influence on the personal travel experience: the cabin interior.

While the creation of a completely new type of aircraft requires unique and high design efforts, the production of aircraft interiors calls for the greatest possible flexibility, because everything the customer requests - from a cargo compartment to a flying five-star hotel - should be feasible.

In addition, the modularly built flight cabin has to be adjusted to the technical specifications of the aircraft design. On top of that, there are very strict safety and quality requirements for Diehl Aviation's products. In order to achieve market maturity, the manufacturer will have to prove in a live test that a fully occupied aircraft cabin can be evacua-

ted within 90 seconds. And in the case of an A380, this can be more than 800 passengers.

Highest quality standards, but also highly competitive pressure require efficient and cost-effective processes and optimal production flows. This resulted in a wide range of requirements for the approximately 1,200 employees of Diehl Aviation in Laupheim in Upper Swabia, which belonged to the European AIRBUS Group until September 2008.

In order to fully dedicate themselves to their core competencies and still save costs, the accounting system was to be optimized in the course of the sale of the AIRBUS site in Laupheim.

„For us, focusing on core competencies also means outsourcing activities from accounting that can be handled professionally, efficiently and with less

effort," explains Thomas Walter, project manager with overall responsibility for the relocation of accounts payable at the Laupheim site.

Centralized accounting versus decentralized locations

Therefore, the proactive finance, controlling and IT departments began planning the development of a stand-alone solution for invoice receipt processing at the end of 2007.

Previously, invoices were processed centrally at the AIRBUS headquarters in Bremen and circulated via SAP work item for processing and approval if required. As a result, around 50,000 invoices per year were processed in the SAP ERP system in Laupheim.

"This process became really lengthy and problematic when there were inquiries across locations or when clarifying open points with vendors," observes Mr. Heudorfer from the finance department in retrospect.

In the context of the AIRBUS spin-off, »automatic invoice verification« was one of the high-priority projects, because a company cannot function without it. A flexible solution was sought that would support the existing systems and structures as effectively as possible, but at the same time provide potential for process optimization and connectivity for an external service provider.

For the preparation of invoice data in preprocessing and other services, Diehl Aviation decided in favor of the service provider NewSource GmbH in Hanover at an early stage. AFI Solutions was selected for further processing of the invoice data in SAP after careful market research.

"The crucial factor in the decision in favor of AFI was above all the flexible and modular structure of AFI Invoice," summarizes Mr. Zehrer, IT project manager.

"The AFI solution could best be adjusted to the process requirements and the existing system landscape at Diehl Aviation and also provided us with an overall solution to handle both our electronic EDI invoices and our paper documents. And as a Swabian company, we naturally also paid attention to favorable prices so that a rapid ROI could be achieved," the IT project manager adds with a smile.

Ambitious Goals and Deadlines

Another very important issue for Diehl Aviation was adherence to the tight schedule for project implementation in order to ensure that the transition to the new parent company Diehl was carried out smoothly and on schedule.

Great importance was also attached to process security and GDPdU conformity in the project (GDPdU = German Principles of Data Access and the Auditability of Digital Records). This is ensured by early archiving of invoice documents and automatic documentation of all processing steps in the workflow log.

As for all companies in aircraft construction, it is significantly important for Diehl Aviation that quality assurance can be accurately documented by means of a detailed incoming goods inspection. AFI Invoice supports the process by performing an automatic check for goods receipt obligation for the order-related invoices as well as a check for possible price or quantity variances.

This allows accurate invoices to be posted automatically in an instant. In case of variances, workflows are automatically started to the purchase order or the buyer for clarification. For the return of faulty invoices, the AFI component SupplierCOM is used, with which supplier letters are created quickly and conveniently directly in SAP.

*C*ollaborative implementation and a punctual go-live

All these requirements were implemented at high speed. With the decision for AFI and NewSource, a very focused effort was made from the beginning to precisely specify all interfaces between the technical systems and those involved in the process. The new processes were developed in detail and tested extensively in coordination with the departments and in compliance with security and functionality requirements.

„We repeatedly had to react to postponements at very short notice in a not entirely easy environment, especially with regard to the binding commitment of the date of sale. Fortunately, we had two professional partners on board, AFI and NewSource, who were instrumental in the successful and smooth transition," states Thomas Walter with relief about the new start of Diehl Aviation.

The go-live took place just in time for the transition to the Diehl Group in October 2008. Therefore, the new, independent accounting system of Diehl Aviation could start on schedule in an automated and highly productive manner.

Diehl Aviation is a subgroup of Diehl Stiftung & Co. KG and brings all aviation activities of the Diehl Group under one umbrella. In the aviation industry, Diehl Aviation, which also includes Diehl Aerospace (a joint venture with Thales), is a leading systems supplier for avionics and cabin integration.

Diehl Aviation currently employs more than 5,400 persons. Customers include the leading aircraft manufacturers Airbus (both airplanes and helicopters), Boeing, Bombardier, and Embraer as well as airlines and operators of commercial aircrafts and corporate jets.

www.diehl.com/group/en

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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