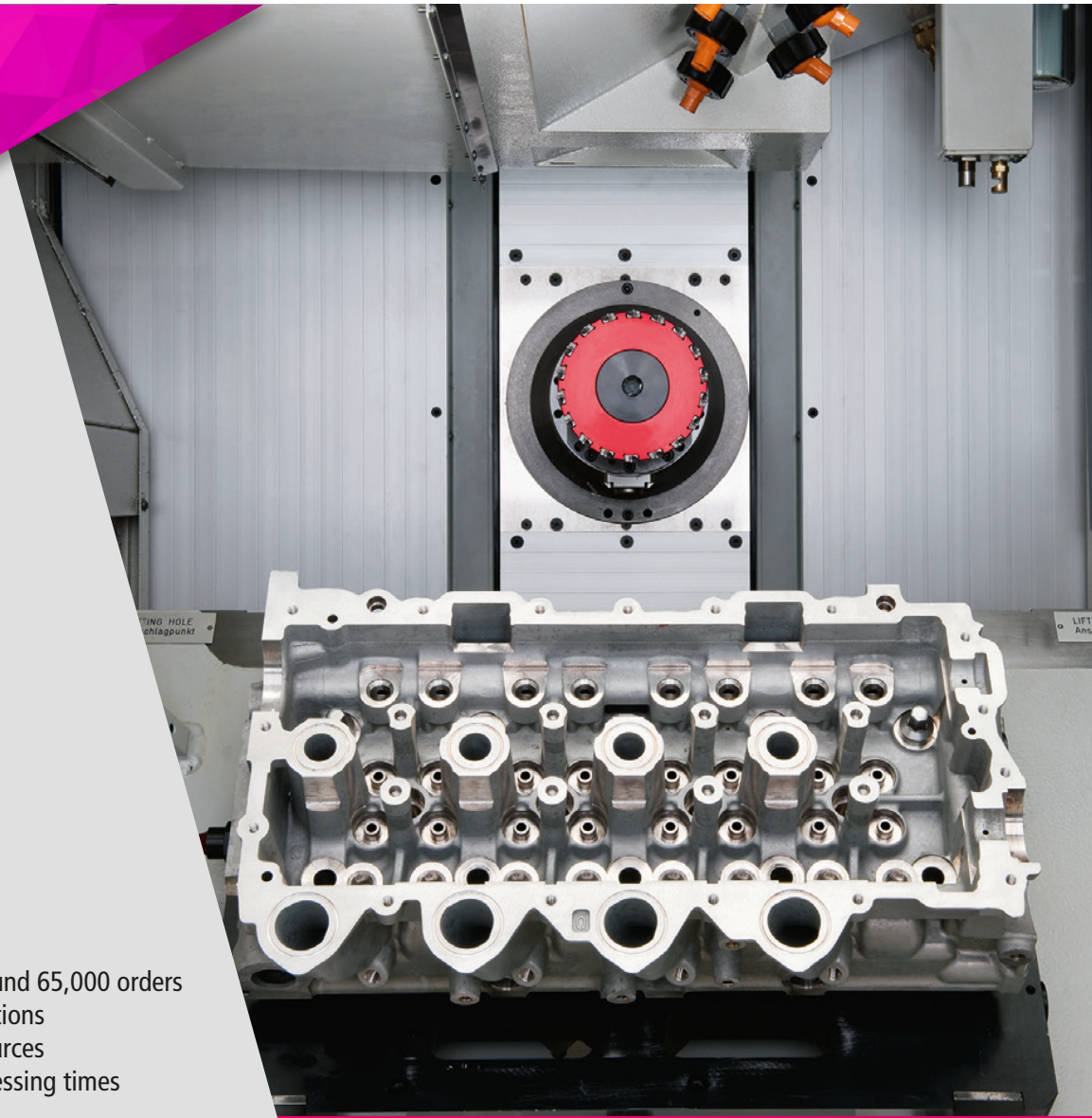


ORDER CONFIRMATION SOLUTION

# MAG IAS



**Challenge:**

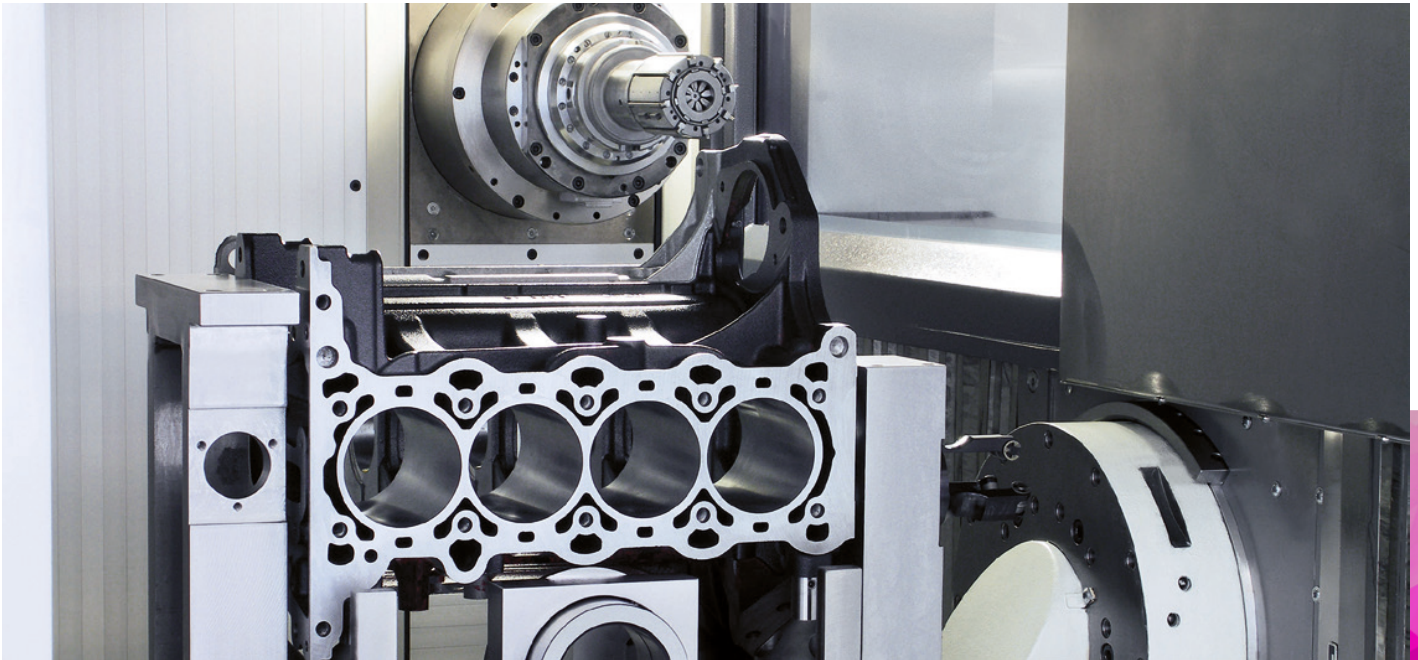
- » Digitisation of annually around 65,000 orders confirmations at seven locations
- » Reduce search and error sources
- » Decrease reaction and processing times

**Solution:**

- » Automatic adjustment of order confirmation and order
- » Recognition and marking of »confirmed as ordered«
- » Order confirmation is directly attached to the SAP order
- » Direct branch into ME23N, MD04, MM02 or ME12

**Benefits:**

- » Saving of time and optimization of the overall process
- » Gain in transparency independent of location
- » Abolition of paper storage



## MAG IAS processes order confirmations paperlessly and transparently

»The Power of One« is not only emblematic of MAG IAS's corporate culture which declares that every human being can reach the best for himself and the company regardless of gender, race or disposition. Symbolically it also stands for the thought to control core processes uniformly. A data redundancy in SAP is not intended for example. But what happens when the ERP system does not have an appropriate solution to attend to the requirement of an automated processing of order confirmations? The way out of this dilemma is to turn directly to AFI Solutions GmbH, describe the requirement and hereupon receive software integrated in SAP.

**I**mmEDIATE improvement of processes  
Former MAG's purchasing manager and initiator of the project Helmut Gaßmann states: *"Throughout my career I have never experienced that new*

*software was considered to be good right after go-live. Normally, the human being – as a creature of habit – disapproves of everything that is new."*

He describes the benefit of AFI Confirmation as follows: *"With the go-live of the software for the automated processing of our order confirmations every single member of my staff has noticed the load removal immediately. We experience a considerable saving of time in the entire process."*

**P**aper storage is put ad acta

Decentralized at seven sites, MAG receives approximately 65,000 order confirmations per year. This means that almost 180,000 positions in SAP are verified and dozens of order confirmations are attached to the printed orders kept into the folder. Probably

everyone can feel that this constitutes an immense expenditure of time as well as research problems and a source of errors. And it is common knowledge for sure that order confirmations coming in by fax or letter can be misplaced. In this case it is extremely unfavorable if a query concerning the transaction emerges.

Furthermore, paper has the disadvantage of being slow. This means that suppliers may accidentally be reminded to send the overdue order confirmation. Thereby it has already been on site for a long time but unfortunately the person in charge is on vacation, sick – or the transfer took place to the wrong person and was lost in the meantime.

MAG's project manager Jürgen Geiger explains the desire for the electronic processing of order confirmations as follows:

*"We would like to improve considerably regarding the reaction and processing time but above all the transparency."*

## Understanding of the purchasing process and SAP

In order to select an adequate software, MAG was looking for certified producers developing software solutions integrated in SAP, understand the purchasing process and SAP, react flexible to wishes and requirements and have experience with electronic document processing. On these grounds MAG came across AFI.

## Willing and capable

It turned out that AFI met all requirements - except for one: The software solution did not entirely fit to MAG's processes. In the first instance, this caused irritation among some of the project team's members. *"But we soon recognized that AFI's management was absolutely willing and most importantly capable to adjust the software. Furthermore, it was clear what*



*an enormous opportunity for us can result from this."* Helmut Gaßmann remembers: *"We had the opportunity to actively contribute to the design of the software. Often enough, one does not have such an occasion."*

MAG held tasks with other potential producers and also wanted to know from them how they would approach the implementation. It soon became clear that there was not any SAP integrated software for order confirmations on the market which would meet with MAG's requirements. This was unexpected!

## Earning trust

Since AFI is already known in MAG's premises as a reliable partner through the implementation of the solution for incoming invoices AFI Invoice years ago, the project team

could be sure that AFI has enough access to own development resources as well as an extensive SAP know-how. But what was even more important was AFI submitting a coherent approach for the software customization and earned trust with it. Due to the extensive experience with projects in the area of document management, this approach was plausible and AFI convinced.

## Listen, understand, implement

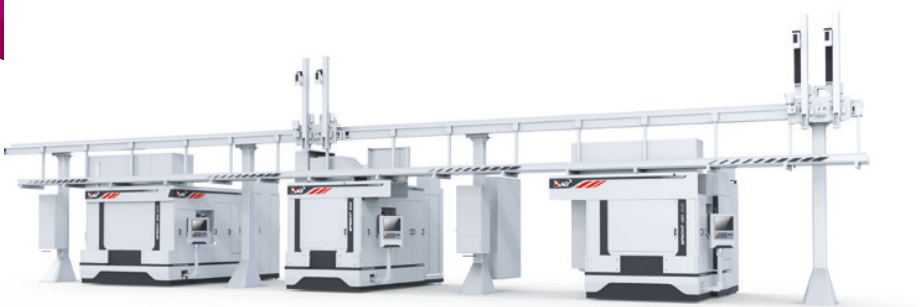
*"AFI's project team always lent a sympathetic ear during the complete development stage and implemented the requirements quickly and precisely"* Mr. Geiger praised the cooperation. Throughout time more and more new requirements were identified and new functions were assembled correspondingly, so that the solution is adjusted to the daily routine of a purchasing department.

## Transparency and acceleration

In order to receive the order confirmations directly in digital form in the future, the fax hardware was adapted to the »fax to folder« function. The order confirmations still arrive by fax but the terminal does not print them on paper any longer but files them centrally as TIFF or PDF. The first step towards maximum transparency, reduced processing time and complete documentation!

## Acceleration of process

It requires a deep insight into the ERP system to know how the data recognized via OCR is transferred from the order confirmation to SAP. Through the detailed knowledge of AFI's development team, it is possible for





*status indications in the monitor are irrespective of their location and easy to understand” Mr. Geiger concludes. “Each of our purchasing organizations can choose for itself what needs to be displayed. The global overview of all order confirmations in the entire company is warranted as well. And if the original needs to be displayed, it is available immediately at the push of a button.”*

AFI Confirmation to adjust the readout data from the order confirmation to the SAP MM order data. If a supplier sends an order to MAG »confirmed as ordered«, this is recognized by AFI’s software. The following processing by the purchaser then is just a matter of seconds. Conversely, variances in schedule or rather disposition, quantity and price are visible immediately. The processing via direct jumps from AFI Confirmation to the SAP transactions ME23N, MD04, MM02 or ME12 is much more efficiently in this case.

It is no longer necessary to enter the SAP data keys laboriously. Now all that is left to do is press the button »requirements/inventory list« and you can see if a variance is tolerable.

### **A**utomatic correction upon requirement

If a discount or price increase is stated on the order confirmation which has not been registered in the SAP order, AFI’s software recognizes this and accesses the ERP system in real time in order to overwrite the original order. Initially the purchase team was skeptical of course that software automatically

changes the SAP order. But the use of the automatic correction was obvious. In the test system the team could see that what has to be corrected is corrected optimally and that all steps are seamlessly recorded.

### **E**xpressiveness of net prices

Every purchaser knows how important the configuration of net prices is. It is not just about the own reputation in the recurrent evaluations and analysis. It rather concerns the transparency and traceability and the resulting derivations for future calculations.

Net prices can only be verified if their configuration is comprehensible. And this has to be represented in SAP of course. That’s why AFI Confirmation writes discounts into the SAP order if necessary and thereby changes the original order.

### **C**entral overview of order confirmations

Transparency is also guaranteed through the filter options as well as the electronic storage in the SAP Content Server. *“The extensive filter and*



MAG is a globally leading supplier of individual machine tools and manufacturing systems and provides the most important industries with complete solutions for a modern and efficient production. The customers from all over the world can be found in the automotive and mechanical engineering segments.

With a strong foundation based upon renowned machine tool brands such as BOEHRINGER, Cross Hüller, Ex-Cell-O, and Lamb, MAG has become a global player since its founding in 2005. MAG serves the automotive and truck industries and their suppliers with unmatched technology and expertise.

[www.mag-ias.com](http://www.mag-ias.com)



AFI is a solution provider and leading manufacturer of software for the optimization of paperless, digital document processes around SAP as well as a provider of services for document capture and processing. AFI offers optimal solutions for the entire purchase-to-pay and order-to-cash process.

AFI combines state-of-the-art SAP technology with technical innovation to develop excellent software solutions integrated in SAP for processing a wide range of document types. Routine tasks are replaced by automated and paperless processes.

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