

INVOICE SOLUTION & OUTSOURCING

REINZ



Challenge:

- » Digitization and optimal automation of invoice processing

Solution:

- » Introduction of an integrated solution for incoming invoices for SAP with subsequent outsourcing of data entry and validation to the RedPaperCenter

Benefits:

- » Fast processes due to electronic approval workflows
- » Real-time traceability of the processing status
- » Saving of manual data entry effort
- » Fast invoice entry and verification
- » Increase of transparency in the invoice verification process
- » Support in the formal verification of invoices/credit notes with regard to Article 14 of the German Value Added Tax Act



How high data quality at REINZ fuels electronic invoice processing

As a company, it is always of advantage to create the freedom to focus on complex issues and on own strengths. This often works out better when administrative tasks such as invoice entry and verification are outsourced to external service providers. It is hardly surprising that outsourcing is still in demand in Germany: according to a recent Axxcon study¹, almost half of the participating decision-makers (47%) noted an improvement in the quality of outsourced IT functions.

REINZ-Dichtungs-GmbH, the specialist for sealing technology, has also been relying on outsourcing for the entry and validation of incoming invoices since 2018. From this point on, the company has received all invoices digitally and verified within a maximum of 48 hours in its own SAP receipt journal for further approval or posting.

Smart workflows for more automatism

In 2012, the subsidiary of DANA Incorporated already started with the classic digitization and automation of incoming invoices in SAP – completely inhouse. Patrick Kreuzer, Head of Finance at REINZ, recalls the motives for introducing an automated solution for invoice processing:

“Regardless of whether it is about logistical invoices with order reference for MRO and production materials including inspection of the evaluated goods receipt or the processing of blanket purchase orders and orders with assumed prices : our incoming invoice management is complex and the processing was thus time-consuming. With the introduction of a solution for automated and digital processing of incoming invoices in SAP, we have

significantly accelerated the process of logistical invoice entry and verification since 2012 and simultaneously increased transparency.”

Smart assistants were programmed within the solution to accompany the process. A warning pops up in the event of deviations – e.g. if it is about a credit note procedure and therefore no invoice is required. A notification even appears if there is a risk of losing the cash discount.

The workflow verification implemented since 2018 for invoices without purchase order reference also considerably accelerated the manual, time-consuming standard process applied for years. On account of an approval matrix, the solution now automatically determines the next responsible approver. The tedious manual check of whether the invoice contains all release signa-

tures is no longer applicable. Everyone involved in the process can now see the status of the invoice release transparently in the system monitor. In addition, Patrick Kreuzer points out the improvement of the goods receipt process:

"We have also integrated the solution into our goods receipt process. In case a delivery has not been confirmed for example, we can initiate a reminder workflow directly via the AFI solution if the invoice is available. That was a real milestone for us because the departments that used to have to chase the goods receipts are now relieved of a lot of work. Based on the assistant notifications, the system checks many things automatically. For the most part, the solution is now the invoice approver who reliably tells me: the goods have been received or precisely not, there are price and quantity variances or a goods receipt possibly is unnecessary. Overall processing is therefore much faster and more transparent which is definitely one of the reasons why the solution is so well received by the users."



Patrick Kreuzer, Head of Finance at REINZ

Efficiency. Flexibility. Scalability.

When REINZ introduced the SAP solution of the Stuttgart-based manufacturer AFI Solutions in 2012, the German location in Neu-Ulm received approximately 40,000 incoming invoices with approximately 120,000 pages per year – at that time mostly by mail. A lot has happened since then: the system has been adapted to new conditions, the solution has been rolled out to other holding companies at the Neu-Ulm location and the invoice volume has increased steadily. In the end, REINZ considered outsourcing the time-consuming preparation of invoice data. Patrick Kreuzer recounts:

"As far as I know, AFI Solutions is one of the few manufacturers in Germany that offers solutions for workflows in the incoming invoice ledger and combines this with a full service for invoice digitization. We had a look at the service and realized that outsourcing saves a lot of resources and reduces our standard activities. Furthermore, we have reduced the IT server costs and saved on OCR software."

Service that fits like a glove

As a matter of course, the external service provider also considers specific features of REINZ, such as the validation of CpD-suppliers from approximately 40 countries. This is where master records in the system do not make any sense. There are summary accounts for CpD-suppliers in which data such as address, seller or bank details have to be entered and validated time and again during invoice verification. REINZ no longer has to worry about this effort because this is now taken care of by the service provider as Marisa Hiller, Head of the RedPaperCenter in Stuttgart, confirms:

"One of the basic arguments for our services in the RedPaperCenter is that the employees in accounting or purchasing are no longer burdened with administrative "groundwork". They no longer have to worry about handling these tasks during sick leave or vacation time and can thus concentrate on their core competencies. In addition, we always work with the latest optical-character-recognition technology. Our employees check and validate the automatically read-out document data which is then encrypted and transferred to REINZ via our servers where it is imported into the SAP system. This allows REINZ employees to conveniently





process the data in their AFI monitor with AFI Invoice. The invoices are securely archived in the customer's system of course and available at any time in their original state including e-mail and supplier invoice attachments."

Based on the good experience with the service for the Neu-Ulm location, the parent company of REINZ is now also considering having invoices from other European locations verified via AFI and consequently assigning the validation of invoice documents to Stuttgart as Patrick Kreuzer concludes:

"The RedPaperCenter of AFI Solutions currently processes around 200 invoices for our German location on a daily basis. Based on the excellent data

quality for which a detailed definition of the requirements is necessary and the resulting efficiency of the downstream processes, the group is now considering rolling out not only the invoice solution but also the service of AFI Solutions to our European subsidiaries."

¹Axxcon-Study: „Unternehmens-IT - immer mehr Auslagerung oder alles retour?“, 2018ps://www.pr



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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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