

At a glance

Customer

- Union Investment
- Founding year: 1956
- Based in: Frankfurt/Main
- Customers: 4.4 million
- Total of administered assets: 169.4 billion Euro

Industry sector

- Financial services

Key figures

- Active vendors: 9,000
- Annual volume of incoming invoices: almost 90,000 pcs

Challenges

Union Investment was looking for a solution for the digitalization and the SAP-integrated approval of vendor invoices in order to reduce the average costs per invoice document and to accelerate the approval and posting procedure when processing an invoice.

Solution

- FIS/edc® - Electronic Document Center
- FCI - Invoice reading software

Benefits

By using the FIS OCR and FIS/edc® software solutions, the efficiency and audit compliance within the entire chain of invoice receipt processing has been considerably improved. The productivity of the accounts payable accounting has increased significantly as now the employees no longer have to spend much time on controlling the actual approval process.

More efficiency within accounting due to the reduction of manual processing steps and less controlling



"In FIS GmbH, we have found a competent and reliable partner. For us, the implementation of the FIS/edc solution was a key component for increasing the efficiency and audit compliance across the entire chain of invoice receipt processing and approving – from scanning to posting."

*Oliver Strohmenger,
Head of Accounting
and Finance Department*

The implementation of an OCR solution and the SAP-integrated release workflow FIS/edc® by FIS GmbH enable Union Investment, one of the leading German investment companies, to automate invoice entry and processing to a great extent. Vendor invoices are posted automatically after having been entered in the accounting department and released in the corresponding department. Consequently, almost 60% of these invoices have to be verified by two eyes only in the accounting department and no longer by four eyes as in the past. This means that processing time and manual processing steps have been reduced and media breaks eliminated in the overall process

With over 4.4 million customers, the Union Investment Group is one of the leading investment compa-

nies in Germany providing asset management for private and institutional investors. In 1956, Union Investment was founded by 16 private and cooperative banks and is member of the "genossenschaftliche FinanzGruppe" (cooperative finance group) with more than 1,100 cooperative and Raiffeisen banks all over Germany. Over 2,400 employees of Union Investment administer client funds amounting to approximately 169.4 billion Euro.

As early as 2006, Union Investment started to optimize its accounting processes. In coordination with the intra-group controlling, posting systems were optimized and posting efforts reduced. A continuous value limit for the final release check of incoming invoices by a second accounting employee (principle of dual control also within the accounting department) was implemented and the

EDI connection of external vendors extended. Moreover, the accounts payable accounting located in Hamburg and Frankfurt moved to the group headquarters in Frankfurt to become a central Financial Shared Service Center.

Increased accounting efficiency

Union Investment intended to further reduce the average costs per invoice document and to accelerate the approval and posting procedure by standardizing the invoice receipt process as far

we realized the benefits an SAP-integrated workflow would provide and therefore we decided to implement *FIS/edc*®,” says Oliver Strohmenger, Head of Accounting and Finance Department at Union Investment.

According to him, this was the right decision as the increase in productivity achieved by the accounting department of Union Investment in 2010/2011 is particularly and undoubtedly due to the use of the SAP-integrated invoice workflow by FIS GmbH. Union Investment had defined the requirements to the future solution before: a standard software with the possibility to map company-specific

recognition (OCR), transferred to SAP *FIS/edc*® and, after the complete parking in SAP, sent to the qualified approval by the *FIS/edc*® workflow integrated in SAP.

The corresponding approver receives an e-mail with link to the intranet portal of Union Investment where he can control, approve (or reject) and transfer the scanned invoice. It is a benefit of the portal integration via the SAP Netweaver “Web dynpro” component that the approver does not need a full SAP license to have a look at the invoice and approve it.

Reduced administration for the accounts payable accounting

It applies to each invoice that only specific persons within the company are to or may – according to the invoice amount – approve the invoice. Moreover, specific account assignments have to be made. Compared with the approval based on Outlook, the SAP workflow integration provides the following important benefits to Union Investment: As the approval is based on SAP online data and the approvers work within SAP, it is possible that they make the account assignment changes required themselves without affecting the accounts payable accounting. It is a particular benefit of *FIS/edc*® to set in advance by means of the amount how many approval steps have to be included. Next, the invoice will be transferred to the individual approvers in appropriate order. The qualified approval always comprises two steps at least, i.e. the factual and arithmetic verification (purchaser) as well as the verification by the cost center/budget manager. According to the invoice amount, a third or fourth step will be added. An interface connects *FIS/edc*® with a database where all cost center managers and their substitutes have been stored. All this ensures that each document will be approved by the number of approval steps the invoice amount requires.

60 % of all invoices are posted automatically

In the past, the accounting department had to re-check each approval a second time before the document could be posted in SAP. Now, most of the invoices, i.e. 60 %, can be posted automatically after a qualified approval. An additional approval by the accounting department is only required if financial account assignment characteristics have been changed during the approval. Moreover, Oliver Strohmenger has defined specific accounts (in particular accounts with increased documentation efforts for fiscal purposes such as giveaways, incentives, events) that are always subject to an additional approval if specific value limits have been exceeded.

Processing of travel expenses via the EDI invoice monitor by FIS

Union Investment receives almost 20 % of the incoming invoices via EDI data stream (all other invoices in hard copy format). Most of these invoices concern travel expenses. For its travel expense processing, Union Investment commissioned an external service provider that already transfers the cost accounting with all documents to Union Investment in the SAP IDoc format where they are read in SAP by means of the EDI invoice monitor by FIS and sent to the usual *FIS/edc*®-based approval process.

“The FIS software enables us to significantly increase our process and cost efficiency,” explains Pascal Ruben, group manager of the accounts payable accounting at Union Investment. “In the past, we used two separate systems, workflow and SAP, and the employees in the accounting department had a lot of work to do when controlling the actual approval process. By including the approvers in the SAP-integrated workflow, we relieve the accounting department and are able to better use

our resources there.” The processing times have been significantly reduced as well. Today, it only takes three days before an invoice will be approved and ready for being posted and settled. Thanks to *FIS/edc*®,



“Thanks to the solution by FIS GmbH, the monitoring of the documents in circulation has become much easier and the resources saved can be used meaningfully for quality intensification.”

*Torsten Braun,
Team leader of the
accounts payable accounting*

the audit compliance of the entire vendor process has been increased and the average processing time of vendor invoices reduced from eight to three calendar days. Actual data can be referred to for control and reporting purposes and consequently, final processes will be accelerated.

Complex documentation requirements in the project

“This project was certainly a particular challenge for FIS GmbH,” says Torsten Braun, team leader of the accounts payable accounting at Union Investment, “as FIS entered the bidding procedure at a later stage and presented the most convincing scenario in its live demonstrations within a very short time. We were able to successfully finish the project only three months after its start and since that moment we have been using the workflow in our production system.”

The decisive factors for the decision in favor of FIS GmbH were the following “soft” factors: Will FIS GmbH be the appropriate partner with regard to corporate development, size and solidity? Will we meet trustfully at eye level?

The character of Union Investment

as a supervised and regulated company was a completely new challenge for its IT partner FIS. “FIS had to face detailed and complex regulations with regard to documentation requirements in the

project, the creation of operating manuals or contract design,” says Oliver Strohmenger. Today, these strict requirements are beneficial to the company.

If, for instance, the corporate processes are checked to find possibilities as to how to increase efficiency, it can be specified where exactly the invoice workflow project of Union Investment has brought about improvements for the processes. “Thanks to the product and our project experiences we can recommend FIS GmbH with absolute conviction today,” says Oliver Strohmenger.

At the end of 2011 already, Union Investment started to extend

“Together with FIS, the project targets could be implemented within the estimated time and budget. FIS has proved to be a competent and flexible partner.”

*Birgit Delp,
Team leader of the accounting department*

the workflow in close cooperation with FIS GmbH. As from 2012, PDF invoices will be approved as well. Due to the Simplifying Tax Law, Union Investment will receive more and more PDF vendor

“By including the approvers via the SAP-integrated workflow, we relieve the accounting department and are able to better use our resources there.”

*Pascal Ruben,
group manager of accounts
payable accounting*



as possible. The key tool for this purpose was the implementation of a free form recognition (OCR solution) with a Web-based and SAP-integrated workflow in the company portal to check and approve parked invoices.

In 2002, Union Investment had already implemented an electronic approval workflow via Microsoft Outlook. Documents were parked in SAP and manually transferred to the Outlook approval workflow; within accounting, all documents were checked by using the principle of dual control. However, this workflow took place completely outside SAP. Manual intermediate steps increased the time expenditure for release checks and within the accounts payable accounting. Media breaks caused higher error rates. “It didn’t take long before

requirements, deep SAP integration, above-average usability as all employees would use this solution and the possibility to map different authorization groups.

Web access to SAP data for all approvers

Every year, Union Investment sends a total of almost 90,000 invoices from 9,000 active vendors to the group headquarters in Frankfurt. Nearly all 2,400 employees are potential approvers and must therefore have access to the invoices concerning them. After having received the invoices, the mail room sends them to the accounting department. Here, the invoices are scanned, postprocessed (validated) after document

Union Investment

With over 4.4 million customers, the Union Investment Group is one of the leading investment companies in Germany providing asset management for private and institutional investors. In 1956, Union Investment was founded by 16 private and cooperative banks and is member of the "genossenschaftliche FinanzGruppe" (cooperative finance group) with more than 1,100 cooperative and Raiffeisen banks all over Germany. Over 2,400 employees of Union Investment administer client funds amounting to approximately 169.4 billion Euro.

FIS GmbH

FIS Informationssysteme und Consulting GmbH is an independent company with approximately 500 employees focusing on SAP projects. FIS, an SAP fullservice provider, works on all hardware platforms released by SAP and, as an internationally operating SAP VAR partner with "Gold" status, concentrates on the "industry" and "technical wholesale" sectors. FIS develops separate solutions that can be used independently or complement and enhance the SAP standard software products. All software systems and tools offered by SAP are consulted, supported and licensed by FIS GmbH.



invoices. Consequently, the scanning process is no longer necessary and the PDF documents immediately enter the OCR recognition and the approval process.

FIS Informationssysteme und Consulting GmbH

Röthleiner Weg 1
D-97506 Grafenrheinfeld
www.fis-gmbh.de

Tel.: +49 97 23 / 91 88-0
Fax: +49 97 23 / 91 88-100
info@fis-gmbh.de

