

THREE ENTRY CHANNELS IN ONE SYSTEM

The FIS software solution optimizes financial budgeting and EDI for Dachdecker-Einkauf Süd eG



DACHDECKER-EINKAUF
SÜD eG



mehr auf das Dach geht's nicht!

Customer

- Dachdecker-Einkauf Süd eG
- Year of foundation: 1970
- Based in: Mannheim
- Employees: 480

Industry

- Wholesale and retail with materials of any kind for roofing and carpentry

Key figures

- Vendors: approx. 600
- Annual volume of purchase orders: 120,000
- Annual volume of incoming invoices: 60,000 (EDI), 8,000 (OCR), 12,000 (PDF)

Challenges

Before the implementation of FIS/edc, DEG would receive invoices by mail with the usual disadvantages: long ways and wait times when releasing invoices, high manual efforts, no utilization of all cash discount options.

Solution

- FIS/edc – Electronic Document Center
- FIS/xee – XML-engine und EDI

Benefits

The use of FIS/fci enables DEG to carry out goods-receipt-related invoice verification up to item level. The FIS/edc Document monitor can be used to receive incoming invoices via different channels and record variances between invoice and purchase order total at a glance.

Electronic incoming invoices are nothing new for Dachdecker-Einkauf Süd eG. For many years, the cooperative has used the FIS/edc inbound monitor to process information of scanned paper invoices, PDF invoices or invoices created in EDI format. Moreover, the largest vendors have received the DEG purchase orders electronically via the FIS/xee EDI converter for many years already. Via EDI transmissions of business information in both directions, i.e. invoices or purchase orders, DEG saves time and staff in particular.

“In the past, our invoice verification was based on goods receipts and we did not want to change this when implementing an electronic system. The combined solution of FIS/fci and FIS/edc enables us to carry out this kind of invoice verification by matching invoice data up to item level. Other systems were only able to read header data.”

Franz Kolbeck,
Commercial manager



The cooperative already implemented the FIS/xee EDI converter by FIS in 1999 as a user-friendly and secure system for the electronic exchange of purchase order data. Many vendors grant price reductions if purchase orders are sent to them electronically and not in paper format. The purchase order data then flow automatically into the retailing system without much manual effort. Every year, DEG sends a total of approx. 120,000 purchase orders from SAP MM to approx. 500 - 600 vendors. However, most of the smaller vendors are technically unable to receive EDI purchase orders. Therefore, the cooperative and ten vendors have agreed upon this kind of purchase order transmission and, as a result, cover today almost 10 % of the entire purchase order document volume with approx. 11,000 EDI purchase orders per year.

“At that time, we had a selection of various EDI converters,” explains Dr. Dankward Kurze, IT manager at DEG. “We chose the FIS tool because it can be fully integrated in SAP and administered from the ERP system which other products could not. The value for money of this solution was unrivaled as well.”

The document monitor by FIS enables goods-receipt-related invoice verification

What worked well for DEG purchase orders in the past should be continued for the processing of incoming invoices. Therefore, *FIS/edc*, the document monitor by FIS, was implemented in 2005 and used to receive and process EDI invoices. Since the end of 2011, the cooperative has also scanned all remaining paper invoices, recognized them automatically using the *FIS/fci* invoice reading OCR software and further processed them via *FIS/edc*. “In the past, our invoice verification was based on goods receipts and we did not want to change this when implementing an electronic system,” explains Franz Kolbeck, commercial manager at DEG. “The combined solution of *FIS/fci* and *FIS/edc* enables us to carry out this kind of invoice verification by matching invoice data up to item level. Other systems were only able to read header data.”

Before the implementation of *FIS/edc* in 2005, DEG would receive invoices by mail with the usual disadvantages: long ways and wait times when releasing invoices, high

manual efforts when entering invoice data into SAP, no utilization of all cash discount options. “At that time, everybody relied on document reading,” says Dankward Kurze, “which meant the scanning of invoices, reading of invoice data and transfer to the ERP system. Then we would again have had all the paper documents in our company.”

Receiving as many EDIfact invoices as possible

Based on experience with purchase orders, the aim was to convince more and more vendors to send their invoices electronically in the future with striking arguments such as postage savings and little manual efforts. Currently, about 60 % of the invoice documents are received electronically via EDIfact. “There came a time when this was no longer effective since not every business partner uses the converter technology required,” says Dankward Kurze. “This is why we started to scan the invoices of vendors who are not able to or do not want to use EDI at the end of 2011 so that they too can be integrated into electronic processing”. This includes cost accounting, i.e. FI documents, in particular. With these, DEG started its OCR project since they are all sent to the headquarters anyway where they can be scanned centrally.

By and by, MM invoices are digitized by non-EDI-compliant vendors as well and read via OCR. As a third option, DEG offers its business partners to send FI and MM invoices in PDF



Truck-Service Dachdecker



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Dr. Dankward Kurze,
IT manager at DEG

format. This is made possible by the new Law on Simplifying Tax, which became effective in mid-2011. The FIS/fci invoice reading software classifies the documents and assigns them to MM invoices once it has recognized a purchase order number. Franz Kolbeck: “We already have some vendors that send MM invoices as PDF documents which we read via FIS/fci.” Here, the number of vendors grows rapidly since hardly any preparations need to be made.

Three entry channels - one display

The DEG approach is always the same: If the vendor is not EDI-compliant, they might send a PDF invoice. If this is not possible either, the paper invoice will simply be digitized. Today, as a result, DEG is able to receive its incoming invoices via three different channels and all documents will be included in the same FIS/edc monitor. There, EDI invoices are automatically displayed as data sheet and PDF and scanned invoices as OCR documents. FIS GmbH made this setting for DEG using an individually programmed add-on.

The FIS/edc monitor enables the accounting department to find variances between invoice and purchase order totals at a glance. This happens quite often due to vendor prices that are updated daily, which may result in incorrect invoicing. The purchaser then adjusts the purchase order correspondingly according to the variance displayed in the FIS/edc monitor or complains about the invoice and sends a message to the vendor directly from the monitor via fax or e-mail. This message is stored in the monitor and can be displayed at any time using the history function.

The following invoice release workflow is carried out via e-mail within the SAP system. Each of the 50-60 approvers at the Mannheim headquarters and the branch offices is logged on as SAP user and gets a link to the electronic SAP invoice by the accounting department from the FIS/edc monitor. They check the invoice via the monitor, might add a comment and, finally, release the invoice.

Creation of residual items no longer required for external direct debits

Today, Franz Kolbeck has a continuous overview of all invoice documents within the company by using the electronic FIS/edc invoice receipt processing software. In the past, the co-operative and all its vendors agreed upon debit memo procedures. This meant that direct debits were often effected long before the corresponding invoice had been updated since invoices were continuously flowing through the company for almost one week before ending up in the accounting department. Consequently, Franz Kolbeck permanently had to build residual items. What is more, vendors do not make item postings but payment advice postings. An advice may sometimes comprise ten pages with 500 individual invoices. In the past, the accounting department had to ask the respective branch office to send this invoice by fax in order to see what is to be debited directly.

Today, every invoice can be viewed immediately after having been imported into the corporate system. As a result, Franz Kolbeck already knows today what the vendor will directly post tomorrow: “FIS/edc therefore facilitates our financial requirement planning, i.e. when the debit memo is made, the invoice has already been entered and we no longer have

“FIS/edc facilitates our financial requirement planning: when the debit memo is made, the invoice has already been entered and we no longer have to post open bank receipts. For us, this is the most important monetary advantage of the FIS solution.”

Franz Kolbeck (left),
Commercial manager



to post open bank receipts. For us, this is the most important monetary advantage of the FIS solution.” Apart from the fact that DEG does not need to hire additional staff to handle the increasing volume of documents. Instead, it can be handled by digitized and automated business processes using the FIS GmbH software products.



Dachdecker-Einkauf Süd eG

With 21 branch offices, Dachdecker-Einkauf Süd eG (DEG Süd) is the leading merchant for roofing products in Southern Germany. Its customers are in particular roofers, but also private construction owners. From roof tiles to photovoltaic systems, DEG Süd offers anything to do with roofs either sold from stock or via third-party business. The cooperative has a modern fleet of trucks with lifting crane, repair and maintenance service as well as a regional field service.



FIS Informationssysteme und Consulting GmbH

FIS Informationssysteme und Consulting GmbH is an expanding, independent company and forms the umbrella of the FIS Group. Within this group, more than 800 employees work to make companies more modern, more economical and more competitive every day. The focus of FIS is on SAP projects and the development of efficient solutions that drive digitalization in companies. As one of the leading SAP system houses in the D-A-CH region, FIS is the market leader in technical wholesale with its complete solution FIS/wws. Together with its subsidiary Medienwerft, FIS covers the complete SAP range of topics for the Customer Experience (CX) area.

In the subsidiary FIS-ASP, more than 100 specialists operate and administer customers' SAP systems in their own data centers in southern Germany. The subsidiary FIS-SST is a competent partner for nearshoring projects. Collaborative solutions for the convenient and secure process handling of different companies on common platforms are developed at the subsidiary FIS-iLog.



Röthleiner Weg 1
D-97506 Grafenrheinfeld

Tel.: +49 97 23 / 91 88-0
Fax: +49 97 23 / 91 88-100

info@fis-gmbh.de
www.fis-gmbh.de/en

