



STO AG FREES ITSELF FROM PAPER TOURISM

The specialist for thermal insulation relies on centralized processing of incoming invoices with FIS/edc



Customer

- Sto AG
- Founding year: 1955
- Headquarters: Stühlingen
- Employees: 4,882

Sector

- Industry/construction

Key figures

- Connected locations in Germany: 100
- Vendors: 20,000
- Annual volume of invoices: 300,000

Challenge

Due to the increasing number of invoices of locally organized Sto AG, the total administrative effort for verification and transparency was too high. The uneconomic paper tourism between the company's headquarters and the numerous locations throughout Germany was to be stopped.

Solution

- FIS/edc – document management
- FIS/fci – invoice reading software

Benefits

Due to automated invoice recognition and release, the internal organizational efforts for processing incoming invoices could be significantly reduced. In addition to the avoidance of costs for paper-based processes and personnel double work, the accounting department can create more precise monthly reports based on current figures.

With the FIS/edc implementation, Sto AG from Stühlingen has completely centralized its invoice processing. Since October 2011, the leading specialist for heat insulation has been using the SAP-integrated FIS invoice workflow. As a consequence, the incoming invoices of nearly all 100 German locations are collectively received at the company's headquarters, scanned there, read and, subsequently, transmitted to the responsible approvers via FIS/edc. The internationally operational workflow was implemented successively in the Sto AG subsidiaries throughout Europe and worldwide.

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Thomas Geiger,
Head of SAP Finance & BI



In 2010, the project was directly ordered by the board of directors: The uneconomic paper tourism between the company's headquarters and the numerous locations spread all over Germany was definitely to come to an end, because handling the increasing number of invoices of locally organized Sto AG became more and more difficult for the accounting department; invoices were often in transit for several days, collected at a specific location and sent to the central accounting department with delays. As a consequence, the total administrative effort for verification and transparency was too high.

Therefore, an efficient accounts payable process with semi-automatic invoice update was to be implemented. The idea of automated invoice processing had already come up several years ago. However, there was a lack

of technical IT infrastructure in the form of an optical, SAP-integrated archive at that time. Meanwhile, it has been installed.

“Our new invoice processing system was to be completely integrated in SAP in any case,” Thomas Geiger, Head of “SAP Finance & BI” at Sto AG, describes the company’s requirements. “The high coverage of international requirements and the fact that all substantial solution components of invoice recognition and workflow come from a single source convinced us of FIS GmbH.” Furthermore, we appreciate the high consulting competence of the FIS employees.” In addition, FIS GmbH is not only positioned internationally, but also focuses on small and medium-sized companies, which makes it a perfect match for us.”

Top-down project decision ensured fast implementation

IT projects driven by the top management are mostly characterized by fast and smooth implementation. This was also the case with Sto AG: The FIS invoice workflow was quickly implemented for the Sto AG parent company with its 100 German locations after the product decision had been made at the beginning of 2011. Subsequently, the workflow was implemented at the five subsidiaries; StoCretec GmbH was the last one to be connected in early 2014.

Unlike in past years, invoices no longer arrive at the Sto subsidiaries, are manually controlled there, signed by several persons distributed over the subsidiary’s premises and then sent to Stühlingen. Rather, the company’s headquarters near the Swiss border are a central collecting point for the incoming invoices of all corporate subsidiaries. As Sto AG does seasonal business, 2,000 invoices per day may arrive on some days in spring. This is a great deal of work for the FIS/fci invoice reading software, which achieves a recognition rate of significantly more than 90 percent among the top 10 vendors. In this way, even high invoice volumes are processed quickly and can be immediately transmitted to the workflow.

Invoices are centrally received

300,000 invoices were received from approximately 20,000 vendors in 2013, including about 15,000 EDI invoices issued by the corporate subsidiaries for each other as well as invoices with an SAP MM purchase order reference. As the

purchasing department in Stühlingen nearly solely orders stock materials with purchase order reference such as raw materials and trade goods, the invoices mentioned last relate to Sto AG and account for approximately 60 percent of all invoices. The mail room in Stühlingen scans the invoices on the day of their arrival, the accounting department validates whether all information has been read correctly and the electronic approval workflow can be started.

In case of purchase-order-related invoices, the accounting department employees view each invoice for the sake of completeness before it is posted, even if there are no quantity or price differences; a rolling FIS/edc workflow ensures that the next invoice view is displayed once the previous one has been completed. This provides for a smooth release. Intercompany invoices issued by the corporate subsidiaries for each other are excluded from this procedure. They are posted in the background, but all of them can be viewed on the FIS monitor. “In the past, we repeatedly had the problem that some IDocs got caught, which always had to be found in a time-consuming manner and subsequently updated by my colleagues. In the FIS monitor, all intercompany invoices now get caught as parked documents so error cases are clearly visible for users,” accounting clerk Marion Gantert happily reports.

135,000 workflows per year

Approximately 135,000 invoices attributed to the different locations have to be processed by the technical approval workflows. As a consequence, Sto processed just as many approval workflows via FIS/edc in 2013. The approval and update processes within SAP are managed by each subsidiary itself. “If all approvers involved react quickly, we will get the processed invoices back on the same day and can post them immediately,” Marion Gantert explains. Even PDF invoices received via e-mail can be processed by Sto AG with this solution. For this purpose, the accounting department has established a separate e-mail postbox. FIS/fci reads the data from the PDFs, which makes the scan process redundant; as usual, validation will follow.

The benefits of automated invoice recognition and release for Sto AG: more precise monthly reports for the executive board, significant reduction of copying, fax and postage costs as well as considerably lower internal organizational efforts in general. Andreas Huber, Head of Financial Accounting at Sto AG: “In total, we have reduced our process costs due to the FIS solution. Here, the focus is not on winning

“In the past, we used to spend a lot of time searching for invoice documents. With 100 locations, this search has visibly slowed down our accounting processes. By using the central FIS/edc invoice receipt, we now have significantly gained in efficiency.”

Marion Gantert,
Accounting Clerk





“By means of the FIS solution, we have heavily reduced our process costs. Here, the focus is not on winning discounts or the like, but the overall process in the entire enterprise needs to be considered. In the past, this process used to be much more complex at all levels when invoices were still processed in paper form.”

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Head of Financial Accounting

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International expansion started in France

After the German Sto companies and locations had been connected, the international rollout was quickly started. Sto AG France was the first company code Thomas Geiger installed a separate FIS/edc process with a country-specific check for. The entire invoice flow process between vendors, locations and the headquarters in Paris works in the same way as in Germany. As all international locations, the French colleagues work in the SAP system centrally hosted in Stühlingen.

Before going abroad, the IT team around Thomas Geiger preconfigures the FIS workflow as far as possible and makes it executable. On site, the system is only installed, followed

by test scans and some adjustments if necessary. In this way, two visits are usually sufficient. Three to four months after go live, the entry rate is checked once again and the recognition of the top vendors improved with the help of the FIS experts.

With regard to the typeface of the invoices and country-specific particularities, there is hardly any difference between France and Germany - unlike in Sweden, Norway, Denmark or Finland, where FIS/fci can fully play out its strengths in character recognition. The integration of foreign fonts involves procedural challenges. In the Scandinavian countries, which were connected in 2013, a reference key is specified for each invoice: the so-called KIDNO number, which FIS/fci needs to recognize. Furthermore, there is the öre rounding to full Swedish krona, which is mandatory in Sweden. As the sales tax is calculated for the original amount, the invoice amount and the amount to be paid will differ. FIS/fci needs to recognize this and must not automatically issue an error message.



Specific rounding, reference numbers - FIS/fci reliably processes particularities

It is the same thing with centime rounding in Switzerland, where Sto AG was in the rollout phase at the end of 2013. The so-called ESR procedure (payment order with reference number) is a particularity here. In Switzerland, payments are not combined, but each invoice is settled separately. Therefore, each invoice contains a payment reference that needs to be transferred to the SAP document. Without further adjustment, FIS/fci was able to recognize such reference numbers on the inbound invoices and further process them. In Poland however, one of the “candidates” to be connected next, there were specific requirements concerning the tax date. Furthermore, the USA and Spain were on the “rollout” agenda for 2014.

Consequently, billing is a little bit different in each country. The FIS optimization offers functionalities for most of these specifications in its standard version or it can be easily configured. “It was important to us that we do not have to re-develop such country specifics each time we go to a new country,” Thomas Geiger explains. And whenever he calls FIS to discuss adjustments, he immediately has the right contact person on the line and not a call center agent somewhere in the world. This is another advantage of a medium-sized company like FIS Informationssysteme und Consulting GmbH, which Sto AG communicates at eye level with.



Sto AG

Sto AG is one of the internationally important manufacturers of coating products and systems for buildings. The group sales in 2012 amounted to approximately 1.14 billion Euro. It is a leading enterprise in the business area of thermal insulation systems. Its core range of products also includes high-quality facade elements as well as plasters and colors provided for building exteriors and interiors. Other areas of priority are concrete repairs/floor coatings, acoustic systems and ventilated facade systems.



FIS Informationssysteme und Consulting GmbH

FIS Informationssysteme und Consulting GmbH is an expanding and independent enterprise and the roof of the FIS Group, which employs more than 800 persons making companies more modern, economic and competitive every day. FIS focuses on SAP projects and the development of efficient solutions promoting digitization within companies. As one of the leading value-added SAP resellers in Germany, Austria and Switzerland, FIS is the market leader in technical wholesale with the all-in-one FIS/www solution. Together with its Medienwerft subsidiary, FIS covers the complete range of SAP topics in the field of Customer Experience (CX).

More than 100 specialists operate and administer the customers' SAP systems in the FIS-ASP subsidiary data centers in Southern Germany. The FIS-SST subsidiary is the competent partner for nearshoring projects. The FIS-iLog subsidiary develops collaborative solutions for the convenient and secure process management of different companies on shared platforms.



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