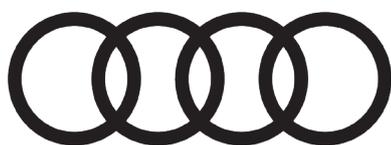




INVOICE AS IMPULSE

in the digital nervous system



Customer

- AUDI AG
- Founding year: 1909 (as Audi Automobilwerke GmbH)
- Employees: 59,000 (domestic companies; corporate group: 89,000)
- Headquarters: Ingolstadt

Industry

- Automotive industry

Key figures

- Vendor invoices per year: approx. 625,000
- Active vendors: approx. 15,000

Challenge

Within the scope of “Strategy 2025”, Audi AG aims at an internationally continuous and efficient process digitization. For implementation, a cross-company platform for the connected group accounting is to be developed that includes advanced technologies and convinces by high usability.

Solution

- FIS/edc – Electronic Document Center

Benefits

The fully integrated SAP optimization by FIS allows for automated and digital invoice processing. The entire process chain can be reproduced in one system. This enables a location-independent release workflow as well as efficient processes, even in item-data-related invoice verification.

AUDI AG is a leader in the electronic invoice receipt of the automotive industry. Furthermore, a cross-industry comparison has proven that the Ingolstadt company has highly efficient invoice verification processes and systems, whose centerpiece is the FIS recognition and workflow technology. It is used to automatically enter and read incoming invoices and transfer them to a controlled, transparent release workflow in SAP. Meanwhile, the system is in use at almost all locations worldwide and in diverse subsidiaries. This is the necessary prerequisite for continuous digitization and, as a consequence, for putting the three cornerstones of the “Audi Strategy 2025” into practice: to digitize processes and create a platform for integrated, interlinked premium mobility and digital services.

“Our aim is to turn our accounting department from a mere back office into a business value partner. And in doing so, an invoice becomes an impulse in the digital nervous system.”

Rainer Maas,
Head of Current Accounts at Audi



The “bean counter” image of accountants belongs to the past, at least at Audi. Michael Kraus, Specialist Current Accounts of the accounting department at the company’s headquarters in Ingolstadt, intends to make this issue new and attractive. “Release an invoice via Swipe – why not?” he asks. Usability is everything, even and particularly for issues such as invoice release.

The prerequisites for invoice release that works in the way it does nowadays were created by AUDI AG about ten years ago when the SAP optimizations by FIS for invoice entry and forwarding were implemented. At that time, the corporate group changed its “non-series” procurement process from host-based systems to SAP and its header-data-related invoice processing to item-data-related invoice processing. The FIS solution consists of the FIS Invoice Receipt Monitor with workflow application, the document monitor for document archiving and the FIS/fci OCR recognition. It enables Audi to transfer invoice items to SAP in a fast and automated way and have them integrated into an automated, transparent release workflow.

Reproduce the entire process chain in one system

Each year, AUDI AG receives approximately 1.2 million incoming invoices, 70 percent of which arrive in digital form, i.e. as EDI documents. They are structured and electronically processed. However, there are still about 400,000 invoices that are digitized via the FIS software. Audi obtained an integrated system ensuring complete transparency, from triggering procurement processes up to payment. “This makes it possible for us to reproduce the entire process chain in one system,” Kurt Witt, Head of Process Control Current Accounts at AUDI AG, explains. Today, the FIS optimization enables the premium automobile manufacturer’s accounts payable department to efficiently carry out item-data-related invoice verification, which is considerably more complex, in an automated, transparent and, first of all, safe way. Due to item data recognition, Audi gains greater security and has more chances to detect potentially erroneous items in the invoice.

Release workflow with artificial intelligence

About 40 percent of the inbound non-series invoices (office equipment, services, etc.) have no purchase order reference (SAP FI). Unlike purchase-order-related SAP MM invoices, they definitely have to run through a multilevel approval process up to payment release. Releasers worldwide are currently using this system. For some time, Audi and FIS have been working together on the integration of Artificial Intelligence (AI) technology into the FIS Invoice Receipt Monitor. “In doing so, we want to make the system even faster in this area,” Michael Kraus explains. Releases will further be needed, but the preliminary manual processing process – what invoice type is concerned, which service has been rendered for what department, which G/L account is affected? – will be automated and shortened in this way, Mr. Kraus continues to explain.

An AI engine determines account assignment information and, based on foresight and historical values, proposes an account assignment and a person responsible for release. A patent invoice, for instance, contains certain keywords that provide information on the G/L account to be debited. Then, the releaser will automatically receive the document via workflow. In this way, there is more time for really content-related checks. “However, the approval hierarchy is still important if value limits and logics are used,” Michael Kraus points out. “Therefore, we do not reduce the number of releasers or hierarchy levels, but provide for the highest possible level of automation beforehand.”

In 2018, Audi and FIS created the initial bases for integrating artificial intelligence into the invoice receipt monitor. For EDI invoices, the data that only exists in the original EDI data record will be passed on to the SAP back end to ensure that the AI engine has a data basis it can interpret and learn from. So



Logistics Hall and Pre-Assembly Center (Hall B) at Güterverkehrszentrum (GVZ = Freight Center) Ingolstadt

far, only the mere posting data has been stored in the ERP system, i.e. the data required for an update. Further invoice information that might be of visual interest for a release was not transferred to SAP – also for reasons of storage capacity.

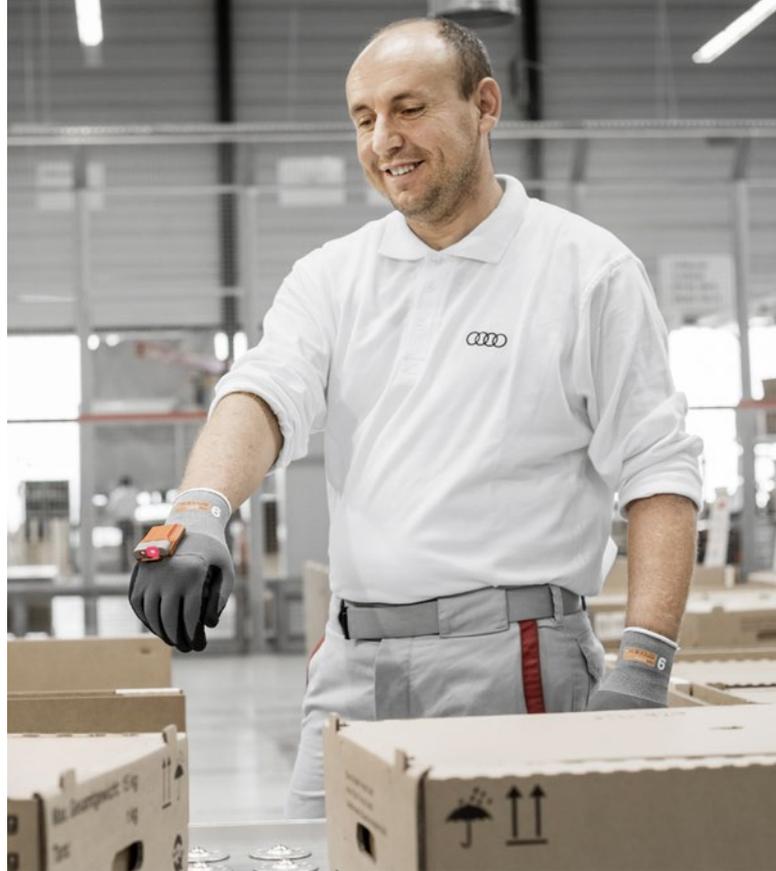
Ticket to digitization

“In the future, digitization and automation will be the basic prerequisites for all processes,” Rainer Maas, Head of Current Accounts at Audi, states. “In the invoice verification process, this means for us that our employees will be independent of place and time in the future. They are to be enabled to open, edit and release an invoice from each location. At the same time, digitization means that all company subsidiaries and sister companies are connected to each other. Our vision is to create a worldwide worklist that can be accessed by all employees. In this way, we are able to process workflows at locations that currently have sufficient capacities. Virtually, the FIS technology is our admission ticket to this world, in order to digitize everything that is still analogous at the moment.”

Complete variability, high transparency, total efficiency

Each subsidiary has its own invoice e-mail address or EDI connection that vendors can send their invoices to. All incoming documents are collected in the jointly used FIS Invoice Receipt Monitor. This leads to a specialization: no manufacture any longer, where an all-round employee attends to the accounting-based support of a business partner, but – like in automobile production – a series production, where specialists assume individual process steps: scanning/capture, invoice verification, vendor contact, payment.

Rainer Maas: “We split work steps and link them with efficient systems and processes in digitally networked competence centers. In this way, we are able to make better use of local conditions such as language, time zones and culture.” At the same time, workload peaks can be intercepted via the employee collective, i.e. if a local worklist overflows, short-term support can be provided by several other locations. In this way, work steps from workflows of a specific location could be distributed to several locations, because all data is available on the same system and linked to each other. The results are complete variability, high transparency and efficiency.



Use of scanner glove “ProGlove” at the Ingolstadt location

From back office to business value partner

This is called “connected group accounting” by Audi. It is a central part of the projects concerning the “digitization of processes” within the scope of “Strategy 2025”. In the course of 2018, the last national subsidiaries are to be connected to the FIS platform. As a consequence, it will be available nationwide for the new form of connected group accounting. “Our aim is to turn our accounting department from a mere back office into a business value partner,” Maas points out. “And in doing so, an invoice becomes an impulse in the digital nervous system.”

In parallel to the extension of the FIS platform, Audi also works on the nationwide implementation of the new SAP S/4HANA product generation. As a consequence, all SAP users within the corporate group work on the same system



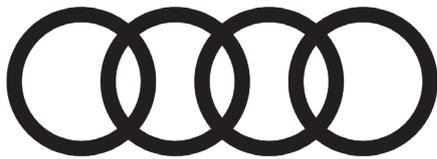
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Specialist Current Accounts of the accounting department

landscape and use identical processes. The FIS optimizations, including invoice receipt processing, are completely executable on the new SAP platform.

It belongs to the new usability concept that today each releaser is able to view and sign invoices irrespective of their location. For this purpose, a mobile app was created in close

cooperation with the Audi IT which, however, does not use the widespread SAP Fiori technology, but is a mere self-development. For this, FIS has developed an interface that applies SAP data to the app in real time. Installed on a smartphone or tablet, it enables the intuitive editing of invoices, but also of IT user applications or travel expenses with only a few clicks – intuitively via Swipe, as Michael Kraus describes it.



AUDI AG

AUDI AG is one of the world's most successful premium manufacturers in the automotive industry and employs approximately 90,000 staff members in the entire group of companies. The headquarters of the AUDI Group are located in Ingolstadt. The largest shareholder of AUDI AG is Volkswagen AG holding more than 99 percent of the share capital.



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/wws* 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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