



## STIHL INC.

A Clean Cut – STIHL Puts Accounts Payable Accounting on a Technically New Level



STIHL Inc., the world's leading manufacturer of chainsaws, automates its accounts payable accounting at its U.S. corporate headquarters in Virginia Beach, VA. In doing so, the enterprise once again proves its commitment to innovation and investment in the area of technology.

### Customer

- STIHL Inc.
- Year of foundation: 1974
- Employees (USA): 2.000
- U.S. corporate headquarters: Virginia Beach, VA

### Industry

- Manufacturer of outdoor power equipment

### Key figures

- An annual volume of 100,000 invoices
- High recognition rate

### Challenge

Optimization of entry, data extraction and the verification and posting process of more than 100,000 vendor invoices per year at the Virginia Beach location (U.S. corporate headquarters).

### Solution

- FIS/edc – Electronic Document Center
- FIS/fci – document reading software

### Benefits

- Removal of time-consuming manual activities
- Increased efficiency, rationalized invoice verification process
- Enhanced productivity of the accounts payable staff
- Improved transparency and auditability
- Prevention of manual entry errors

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Carter Barret,  
Head of Financial Accounting



STIHL Inc.'s corporate management has recognized that lots of money and time can be saved due to more efficient processes in vendor invoice processing. As many other enterprises nowadays, STIHL has therefore almost completely automated its entire accounts payable accounting. Gone are the days when accounting clerks had to daily deal with sorting, distributing and storing hundreds of vendor invoices.

The processing of more than 100,000 vendor invoices per year at the Virginia Beach headquarters used to be a slow and complex process at STIHL. “Manual processing of thousands of invoices per month meant that many of our employees were occupied with cumbersome tasks such as data entry and individual item comparison. We were looking for a solution that accelerates the invoice verification process in SAP and, at the same time, increases our staff's productivity in the accounts payable department,” Carter Barret, Head of Financial Accounting at STIHL Inc., explains.

It was essential to find the appropriate partner beforehand among numerous providers of automation tools for accounts payable accounting. The demand was for a solution that can be adjusted to individual requirements in the best way possible and, at the same time, promised a fast ROI. After an elaborate selection process, STIHL Inc. made a decision in favor of FIS Informationssysteme und Consulting GmbH, an internationally renowned SAP Gold Partner and provider with more than 20 years of SAP experience in the development of integrated solutions and implementations worldwide.

### Best SAP integration

One of the decisive factors in the provider selection was the fact that FIS has proven technologies for the automation of accounts payable accounting for all industries and combines them in an overall solution. As one of few manufacturers, FIS also provided a solution that works entirely within the existing SAP system - in contrast to many other competitors that only use interfaces to SAP. With the self-developed *FIS/edc* solution, STIHL Inc. was offered a procedure for rationalizing the entire invoice verification process, which had been tried and tested by FIS. All processes were holistically optimized at the same time: scanning of incoming invoices, document/data entry with the sector-neutral and most efficient invoice recognition software, processing of deviations,

a role-based and e-mail supported routing for the release of cost accountings and the smooth transfer and update in SAP derived therefrom.

### Project overview

After the contract had been signed in December 2009, the project progressed quickly: The test phase started in mid-January 2010 and the solution went live at the beginning of March 2010. "The implementation was efficient and problem-free. Within a few weeks, our invoices ran through the scanner with high recognition rates," Guy Wallace, Head of SAP Applications at STIHL Inc., reports. "We were very impressed with the solution's integration - the entire invoice processing takes place within our existing SAP environment. The masks are structured and can be operated in a similar way as in the SAP standard system. Therefore, our staff was able to deal very well with the application right from the start."

### Excellent recognition rates optimize the entire SAP invoice verification process

In the area of invoice entry, *FIS/edc* uses the most efficient OCR technology currently available on the market with very high recognition rates for each kind of layout - without requi-





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Head of the Accounts Payable Department

ring specific training at the beginning! “We are impressed with how accurately and precisely the scan software also works for the recognition of some of our larger and more complex invoices with multiple individual items,” Karen Youngs, Head of the Accounts Payable Department at STIHL, points out. The system is able to independently find and recognize each individual item and also read prices and quantities before the data is forwarded to SAP.” In the past, the accounting clerks in the accounts payable department had to compare each individual invoice item with the original purchase order - a time-consuming and inefficient activity.

The system also supports the entire accounting process in SAP and enables an automatic update of all header and individual items. It recognizes that many invoices are unique due to specific characteristics and layouts and automatically and independently creates invoice templates. They help completely recognize even the largest and most complex invoices. Due to the integrated knowledge base, the recognition rates increase day by day.

### Manual activities drastically reduced

Manual processing of invoices means a high time expenditure for a company’s accounts payable department. With the FIS/edc implementation, STIHL Inc. is now able to automatically collect relevant information of scanned invoices fast and in a high number and validate it by using existing master data or plausibility criteria and seamlessly forward this information to SAP as parked documents.

Within the ERP system, the accounting clerks in STIHL’s accounts payable department also have the option of viewing

a list of all scanned invoicing in the respective format. If one of the parked invoices is called, the invoice monitor will appear, which contains all required functions and directly displays the scanned invoice document, invoice item details and the reference purchase order as a tripartite screen. Deviations are marked, which removes the tedious process of matching purchase order, goods receipt and invoice.

Eventually, the invoices containing the marked deviations will be safely forwarded to an approver via the e-mail based FIS/edc approval process. “Invoices containing deviations are processed easily as the invoice monitor displays all relevant invoice information and automatically highlights any discrepancy. This saves us a lot of time and gives us more efficient fields of application for our accounts payable staff,” Karen Young explains.

### Compliance with regulations, internal audit and reporting

Numerous new laws and official decrees have increased the companies’ demand for document storage for auditing purposes. The history text characteristic contained in FIS/edc makes it very easy for the user to retrieve essential invoice information at the push of a button. The history shows in detail what employee has carried out a specific activity in connection with a particular invoice. As a consequence, the entire approval process is documented, which proves to be very helpful for internal audits as it leads to a higher transparency in the overall process. “We now have a better monitoring system to keep an overview of all our documents. Furthermore, analyses can be started at any time, such as the option of comparing recognition rates or checking which approvers require a disproportionate amount of

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time to process invoices.” This is how Carter Barret describes the solution’s benefits.

Today, former weak points, such as processing and storage in paper form and cumbersome manual data entry, belong to the past at STIHL Inc., thanks to the FIS/edc implementation. The company works more efficiently and more productively in accounts payable accounting and, simultaneously, reduces its costs. In overall terms, invoice processing is much faster and completed more quickly. As a consequence, the risk of missing cash discount periods is diminished as well.

# STIHL®

STIHL is a reliable name for experts and house owners requiring efficiency, reliability and durability for their outdoor power equipment. Due to invention and innovation, STIHL has been at the forefront of the industry for more than 80 years and develops technologies providing efficiency, convenience and higher fuel economy. Each single device is built according to fixed standards, from the well-known chainsaws up to product lines of cutting machines, blowing engines and other machines. They justify STIHL’s excellent reputation worldwide nowadays in the area of outdoor power equipment.



## 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.



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