



# AUTOMATED INVOICE PROCESSING AT THE IFM GROUP

Comfortable accounting of high quality



## Customer

- ifm Group
- Year of foundation: 1969
- Headquarters: Essen
- Number of employees: over 8,700

## Industry

- Automation technology

## Challenge

Due to the spatial separation between administration and production, there were many invoice processing tasks that were assumed by the purchasing clerks. To establish an international standard for invoice processing, the ifm Group was looking for a solution that automates accounting and reduces manual activities to a minimum.

## Solution

- FIS/edc Invoice Receipt Monitor

## Benefits

The FIS/edc Invoice Receipt Monitor enabled the ifm Group to harmonize its accounting processes and implement standardized release processes. In addition, the digital transformation within the administration department is driven forward. This means that the employees' workload at the production site is reduced and the accounting quality and efficiency increased.

Paper invoices that are manually verified are an obstacle for efficient and transparent accounting processes: employees spend too much time on standardized tasks, typing is often error-prone and compliance may not be fulfilled correctly. The ifm Group also faced these challenges. ifm therefore was looking for a system that digitizes and automates invoice processing and found the ideal solution: the FIS/edc Invoice Receipt Monitor. In the meantime, ifm has harmonized and digitally transformed the accounting processes from the beginning of a project to the international rollout in ever more countries.

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Karsten Reinert, subject specialist for accounts payable key user projects at ifm group services GmbH



Reducing costs, increasing efficiency and transparency, ensuring compliance: these were the goals of the ifm Group when it was looking for a software solution for its accounting department some years ago. Before, specific processes for purchase order-related and non-purchase order-related invoices had been established at the world market leader for sensor technology (founded in Essen in 1969). However, these were neither efficient nor satisfying.

### Automated invoice verification with the invoice receipt monitor

“As far as purchase order-related invoices were concerned, we had a clear division of tasks between administration and purchasing department,” remembers Karsten Reinert, subject specialist for accounts payable key user projects at ifm group services GmbH. There was not only a division of tasks but also of both department locations. The invoices were received at the production site and manually compared there with the purchase orders and goods receipts. The verified documents were then sent to the accounting department approx. 650 kilometers away, where the employees typewrote them and paid the invoices. Reinert puts it in a nutshell: “The logistics department verified the invoices and the accounting department was the typewriter.” The process was as inefficient as the process of non-purchase order-related invoices: it was not always clear whether those who signed these invoices were authorized to do so or authorized to sign invoices in such amounts.

A solution was wanted. In 2014 and with requirements for a new software clearly defined in a specification sheet, the ifm Group started its search for a tool that was to automate accounting, map already established verification structures and be available in as many languages as possible. Likewise important: The software was expected to match the division of accounting work, offer audit-compliant archiving, keep manual efforts as small as possible and have an adjustable user interface. For the ifm Group, the FIS/edc Invoice Monitor was one of three solutions to be considered. After a reference visit to an FIS customer, ifm took a swift decision in favor of this solution. “The reference customer was exactly like us,” as Reinert justifies the decision. “What also convinced us was the open discussion about the advantages and disadvantages of the solution.”

### Go-live after three months only

In January 2015, both companies met to plan the project and only three months later, ifm started to use the FIS/edc Invoice Monitor. What makes this process special: not the IT department of the ifm Group decided in favor of a solution but the accounting department did. “In our company, the project is

controlled by the user department,” as Reinert emphasizes. In the following one and a half years, ifm worked with the system, learned how to use it and optimized it. An example of an individual adjustment: The invoices are often received prior to the goods receipt and cannot be matched yet. “At our request, the system pretends every hour to execute a new data import,” as Reinert describes. At that time, the solution approach of the post-run update program was individually programmed by FIS. In the meantime, it has been integrated in the invoice monitor as standard solution.

The learning process on both sides was particularly great in the first year: upon customer request, FIS again and again made small changes to the system. The ifm Group had to learn that the project did not only include the implementation of a new software solution but also questioned the previous processes. Therefore, Reinert has a clear recommendation for other companies: “Implementing the invoice monitor always includes an organization and master data project. Those who cling to old processes will neither reach automation nor will they fully benefit from the invoice monitor.”

### Increased efficiency along the entire process chain

After the learning process, the ifm Group was rewarded by considerably increased efficiency along the entire process chain. As far as purchase order-related invoices were concerned, the process chain was shortened and the accounting department became more and more involved: now, the documents are received centrally by the accounting department and automatically verified there. The employees only need to act manually if invoices cause problems. The non-purchase order-related invoices are now clearly documented and controlled by the system as specific release structures are defined in the system.

In January 2017, two years after project start, the invoices without purchase order reference (FI documents) were included in the invoice monitor. The system enables an automated workflow sending for these invoices; they can be maintained for each company code, vendor and release group. Workflows can also be sent automatically for logistical invoice documents (MM documents) and include work-





flows for price variances (PAW), quantity variances (MAW) as well as approval workflows for unplanned delivery costs and invoices with non-goods receipt-related purchase orders. In addition, the documents are archived relative to the purchase order, which enables subsequent access to the entire operation, also by the purchasing department. Moreover, the approval interface includes a cost center plain text and enables the maintenance of the SGTXT standard field within the SAP BSEG cluster by the approver. Depending on vendor number and company code, a keyword account assignment is enabled as well, which can be used to partially automate manual working and increase data quality. Posted documents can be numbered uninterruptedly, which is a particularity enabled by FIS in the standard version. Reinert explains this benefit and its necessity: “In some Southern European countries, there must be no numbering gaps for posted documents.”

#### International rollouts for improved communication

In 2018, the system was rolled out at those German ifm subsidiaries that were using SAP. The international rollouts started in 2021: the ifm Group is represented through its own subsidiaries or trading partners in over 165 countries. Currently, distribution companies in ten countries work with the invoice monitor and another twelve are to follow in 2023. According to Reinert, the employees of subsidiaries where the rollouts have already been completed are satisfied and

the communication between the companies abroad and the ifm headquarters in Essen has also noticeably improved. As far as the international rollouts are concerned, it is always important to Reinert that all subsidiaries work with the invoice monitor variant that is regarded as the standard monitor for the ifm Group. “Within the scope of this standard variant, we are able to present individual solutions; this standard, however, must be complied with,” says Reinert. In this way, the solution is tailored for the company and enables optimal processes.

Comfort gain and high accounting quality are probably the greatest benefits the ifm Group took from the implementation of the invoice monitor. The accounting processes were harmonized and a standardized release process implemented. In addition, the digital transformation within the administration department was driven forward. The latter perfectly fits the image of the ifm Group which defines itself as a pioneer of Industry 4.0 and a guide towards automation and digitization technology. “All this became possible because we were working at eye level and with mutual understanding in an inter-departmental project team,” Reinert explains. Taking the accounting employees by surprise with a standard solution would not have produced the desired success. “It was important that the accounting department selected the system and that the system was flexible enough to consider their requests so that we now have a solution that is tailored to our needs,” he emphasizes.

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## Successful implementation and cooperation at eye level

The FIS/edc Invoice Monitor enabled the ifm Group to automate most parts of their accounting and, as a result, improve the quality and efficiency of the accounting process and all associated processes. The project success was based on the

good cooperation at eye level between the ifm Group and FIS. In Germany, the ifm Group has been working successfully with this system for several years and it has been and still is rolled out by and by to the international subsidiaries.



Ifm Group

ifm Group world market leader of sensor technology and pioneer of Industry 4.0. What started as a passion became an idea and developed into a success story: when it comes to pioneering automation and digitization technology, the ifm Group is the ideal partner. Since its foundation in 1969, ifm has worldwide developed, manufactured and distributed sensors, controls, software and systems for industrial automation as well as for SAP-based solutions for supply chain management and shop floor integration. As one of the pioneers of Industry 4.0, ifm develops and implements holistic solutions for digitizing the entire value chain “from sensor to ERP”. With over 8,700 employees, the ifm Group, family-run in the second generation, is among today’s worldwide industry leaders. The group of medium-sized companies unites the internationality and innovative power of a growing group of companies with the flexibility and customer reach of a mid-size company.



## 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.



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