



New requirements successfully implemented **E-INVOICING - THE INVOICING OF THE FUTURE**

Customer

- Maschinenfabrik Berthold HERMLE AG
- Year of foundation: 1938
- Employees: 1,400
- Globally, more than 30,000 successfully installed machines

Industry

Production of machining centers and automation solutions

Challenge

In some countries, such as Italy, the sending of electronic invoices is already mandatory. As the subsidiaries and sites of HERMLE AG can be found at many locations worldwide, the company had to adjust its invoicing process to the legally binding provisions of the respective authorities.

Solution

- SAP optimization: FIS/eInvoicing for electronic invoicing

Benefits

The use of FIS/eInvoicing ensures invoicing in conformity with the law. Invoices are created by the system and sent to the corresponding authority. Manual work steps are eliminated and staff workload is reduced.

Digital invoice versus electronic invoice: More and more companies learn that these two are not the same and are therefore facing new challenges in invoice processing. The electronic transmission of invoices in XML format is already mandatory in many countries. However, it is based on different standards. Maschinenfabrik Berthold HERMLE AG has already embarked on the path towards electronic invoices. The Baden Württemberg-based company knows the obstacles to be overcome and uses FIS/eInvoicing to implement the new standards.

HERMLE AG from the rural district of Tuttlingen can hardly be accused of insufficient digitization. Already some years ago, HERMLE, who is one of the world's leading manufacturers of machining centers and supplies a wide range of industries with its products, only sent system-based invoices to its customers, i.e. as a PDF document via e-mail. Some years ago, however, it became evident that digital invoices in PDF format were no longer sufficient, at least not in all countries. On January 01, 2019, Italy introduced electronic invoices for all domestic companies. As the subsidiaries and sites of HERMLE AG can be found at many locations worldwide – one of them being Italy – the company had to act and adjust its invoicing process to the new requirements in Italy.

The suitable partner already in-house

As a consequence, a software solution was required that can generate invoices in the country-specific XML Fattura PA format and send them to the central SDI system (sistema di interscambio) run by the Italian state. HERMLE AG did not need to search for such a solution again: „We already had a software solution for our electronic order response function as well as the suitable in-house partner,“ explains Alexander Minder, SAP IT group leader at HERMLE AG. We are talking about FIS Informations-systeme und Consulting GmbH and the FIS/edc Order Response Monitor solution. „It was obvious for us to contact FIS to extend our cooperation,“ says Minder. HERMLE and FIS developed a solution that could be used to



fulfill the legal requirements of the Italian authorities on the one hand and to implement the individual requirements of HERMLE AG on the other hand. An important requirement of the milling machine manufacturer to the new E-invoicing solution was to retain control over the system. This is why HERMLE AG does not run the FIS/eInvoicing SAP optimization in the cloud but on its corporate server.

Individual requirements implemented in close cooperation

An individually tailored company software was also important for the milling machine manufacturer. The respective machine numbers, for instance, were to be included in the invoices; description texts and specifications of the machines were to be added to the invoices as accompanying documents. „Here, we are talking about field lengths we had to implement individually,“ remembers Christian Hummel (FIS) who was responsible for the project and still supports HERMLE AG as a consultant. „All this was manageable and we were able to implement all customer requirements.“ Last but not least, the smooth execution of the project was also due to the long-standing and good cooperation of both companies. „We have designated FIS consultants and we know each other well,“ describes Minder. „They know what we are like,“ he adds. As a result, solutions are brought about on direct and short official channels.

It was and still is necessary to adjust the software again and again due to permanently changing legal requirements. Since January 2022, for instance, cross-border

invoices as well have to be created in the electronic XML Fattura PA format and sent to the central SDI platform in Italy. „All this is a permanent task,“ describes Minder. Particularly since more and more countries are following suit and require electronic invoicing. Since April of this year, for instance, electronic invoices have been mandatory in Mexico. Also in Germany, specific invoices already have to be created in XML format and sent electronically. Currently, this concerns invoices that are made out to federal authorities. In Germany, mandatory e-invoicing in the B2B area is expected from 2025 onwards.

Reduced workload for the employees

The new kind of invoicing meant a transformation for the employees although digitization had already been established at HERMLE AG. „At the beginning, this created uncertainties among some employees,“ confesses Minder. „In the past, the colleagues received invoices in PDF format and sent them actively to the customers. They knew everything was on the right track,“ Minder says.

The electronic invoice is created at the touch of a button and sent to the SDI platform in the background. This makes work easier for employees.

Now, this work step has been eliminated: the electronic invoice is created at the push of a button and sent to the SDI platform in the background. On the one hand, this means reduced workload for the employees. On the other



hand, however, this process requires subsequent control. That means that the employees need to control on the platform whether the invoice is valid and has been called by the customer. „All in all, however, electronic invoicing means reduced workload as the colleagues can schedule these controls in separate time slots in their daily routine,“ as Minder sums up.

In addition, e-invoicing software includes integrated validations so that the invoices can generally be signed by the authorities without problems. Some special characters, for instance, may not be used in electronic invoices and for Italy, the PAC address needs to be defined. „If the PAC address is not defined in the master data or if the invoice contains invalid special characters, the system reports this back to the user before the invoice is sent,“ explains Hummel. This avoids unnecessary correction loops, which also saves precious working time.

Successful implementation of digital invoicing

HERMLE AG has successfully adapted to the new requirements of electronic invoicing. Although the company had already sent PDF invoices via e-mail, they had to find a solution as to how electronic invoices in XML format should be sent to the Italian SDI system due to statutory changes in Italy. In cooperation with FIS Informations-systeme und Consulting GmbH, a new software solution was implemented that corresponds both to the individual requirements of HERMLE AG and the legal claims of the authorities. As in the near future more and more countries will request electronic invoices, HERMLE AG is ready for the future with the FIS/eInvoicing solution.



About HERMLE AG

Maschinenfabrik Berthold HERMLE AG is one of the leading manufacturers of machining centers and automation solutions. The globally operating company was founded in 1938 and is headquartered in Gosheim auf dem Großen Heuberg in the rural district of Tuttlingen (Baden-Württemberg). It employs 1,400 persons and has subsidiaries in Switzerland, Italy, China, France, Mexico, the Netherlands, Thailand and the USA. HERMLE sites are located in Denmark, Austria, Poland and the Czech Republic.

HERMLE AG has a widespread and close sales and service network and a worldwide presence with more than 30,000 successfully installed machines. HERMLE's motto „Milling at its best“ is permanently implemented by new ideas, precision in production, process consulting and profound project management. HERMLE AG is a partner of many companies in key industries and has a wide range of products from medical technology to racing.



THE FIS-GROUP

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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