



SAP-integrated P2P Processes at Schnellecke

Establishing procure-to-pay processes that run entirely within SAP is the declared aim of Schnellecke Logistics AG Co. KG. A globally established logistics provider in the automobile industry with 16,500 employees in 15 countries, Schnellecke develops logistics solutions tailored to the needs of its customers.

Any company that truly desires end-to-end processes must bid adieu to a set-up with different systems running alongside each other. Which is just what Schnell-ecke Logistics has done, replacing the existing merchandise management system and financial accounting software with the SAP ERP modules FI, CO, and MM. Switching ERP systems has also meant the dissolution of a workflow for processing inbound invoices which was once implemented as part of the document management system (DMS). "Among other things, a workflow must be able to process PO-based MM invoices within SAP. The solution we'd had previously was not able to do that," explains Bernd Grimm, Senior IT Manager at Schnellecke. "We'd have to have integrated MM into the DMS, outside of SAP. When it came to that, we pulled the brakes." That is what led to the decision in 2015 to implement the xSuite, which covers entire P2P processes integrated in SAP. xSuite has been conceived as a standard solution, making it easy for a growing company such as Schnellecke to add SAP company codes. In an individually programmed solution such as the previous one, this would have involved a much greater amount of effort.

"There are many invoice processing solutions based on SAP, but few offer an SAP-certified end-to-end process as xSuite does. That was a crucial factor contributing to our decision," explains Bernd Grimm.



Company:

Web: www.schnellecke.com
Sector: Logistics
Headquarters: Wolfsburg, Germany

xSuite® solution

- Processing of incoming invoices and outgoing orders (xSuite Invoice, xSuite Procurement)

Decisive Arguments for xSuite

- End-to-end solution
- SAP-integrated and SAP-certified
- Set up for international roll-outs
- Multilingualism
- User ergonomics in software use

Systems integration

- SAP ERP, Archive

From the outset, Schnellecke focused not only on the processing of inbound invoices but on the entire process, including order management.

Bernd Grimm: “Along with the aspect of integration offered by the system solution xSuite, decisive factors also included the enablement of international roll-outs through its multilingualism and the ergonomics offered in the end-user experience. The latter proved to be an advantage during go-live—the end-users got used to the system very quickly, minimizing the amount of training necessary. The system solution is now an essential part of the P2P process—we have been able to create a high level of acceptance.”

Central Inbox in Financial Shared Services

Each year, a total of around 45,000 paper records are received. This constitutes only a small portion of the incoming invoices, the majority of which arrive by EDI, i.e., electronically. They are digitalized in the central inbox of the Financial Shared Services Center at the Schnellecke headquarters in Wolfsburg, which is responsible for nearly forty subsidiaries of the corporate group and includes the region Germany.

After scanning, the electronic record is sent by xFlow Interface to SAP and, for the time being, stored in revision-proof form in the digital archive. The records that are transferred are made available to accounts payable in the Invoice Monitor within SAP, where the OCR results are checked and, if necessary, corrected. In the final step, the invoice is assigned to an account, after which it is parked. This triggers the ERP-integrated xSuite release workflow for the verification of details and the financial release. The release process of an invoice involves almost four people on the average. These individuals may add a cost center and/or order to the invoice and make sure that it is complete for SAP purposes. Financial release and automatic posting are the final steps. In this procedure, the only time accounts payable needs to touch a record again is when an approver makes a mistake during release or has failed to actually grant the release—which arises in less than ten percent of all cases. Conversely, this means: 90 percent of the FI invoices go straight through, which signifies a considerable reduction in workload for accounts payable.

Simple Re-Certification Through SAP-Integration

The DMS used by Schnellecke thus far now only serves as an archive in which SAP stores the records via ArchiveLink.

“This entire procedure has also become much simpler for certification by our auditor than it used to be,” says Bernd Grimm.

Previously, the entire release process outside of SAP had required certification. It always stood chances of being changed, each time necessitating time-intensive recertification.

Approvals Four Times as Fast as Before

A good three months after going productive, Schnellecke had scanned, entered and posted around 27,000 inbound invoices in seventeen company codes, from around 1,800 vendors. Eleven percent of these invoices are MM records, 92% of which move smoothly through the system without amount and price differences. The approval of FI records now proceeds considerably more quickly with the xSuite. As few as six weeks after the system was started, the cycle times were reduced by 44 percent. To date, the process is as much as four times faster than with the external workflow previously used.

Bernd Grimm: “This has already led to success in balancing out the reduced size of our team, a result of maternity leave and partial retirement.”

Automatic processing of incoming invoices was just the first step in the concept of P2P processes for the logistics specialist. After having gone live and become acquainted with the productive system using the new invoice processing solution in the Financial Shared Services Center Germany, Schnellecke followed up with the implementation of the solution for outgoing purchase orders as early as April 2016. By linking the invoice approval with the procurement solution, the company realized the end-to-end procure-to-pay process it had desired. From purchase requisition and procurement to goods receipt and invoice approval, transparency was thus created for each procedure.

In the future, SAP-integrated P2P processes will be securely established across the entire company through the roll-out of the invoice solution starting in August 2016 for the Eastern European Shared Services Center in Bratislava, as well as the subsequent roll-out of the procurement solution in Germany and Eastern Europe. With the new procurement solution, an ideal enhancement to the invoice workflow, even greater speed will be added to processing. Purchasing agents and all those that place orders for the company can create, approve and release SAP purchase requisitions and SAP purchase orders either directly in SAP or on the Web portal. The release step now comes sooner in the process since the majority of the invoices have become PO-based in MM—and, as described, generally pass through the workflow smoothly without any discrepancies in amount or price.

The company is moving on with the xSuite solutions in the direction of automation. It is shifting manual, error-prone procedures into the background to make way for universally applicable, SAP-integrated processes. These processes intermesh to allow for rapid approval and release throughout the company, as well as consistent access to all process-related records and procedures.