



Less Effort for Institutes and More Transparency in Accounts Payable

The University of Stuttgart significantly reduced throughput times for invoices with the solution from xSuite and set the stage for a smooth transition to S/4HANA.

The University of Stuttgart is a leading German university with a focus on technology. It is divided into ten faculties with a total of 150 institutes. The university takes a research-driven approach to teaching and offers an interdisciplinary study profile that integrates engineering, natural sciences, humanities, economics and social sciences. Owing to this, the University of Stuttgart is a highly respected, sought-after place of higher education both nationally and on the international stage. Approximately 21,000 students are enrolled in the 61 bachelor's and 98 master's degree programs. With over 5,600 staff, the University of Stuttgart is a major employer in the capital of the state of Baden-Wuerttemberg.

Like other public sector clients, the University of Stuttgart is now required by law to accept and process invoices in electronic format (XML formats). The university uses SAP Public Sector Management and was looking for an invoice solution that integrates as deeply as possible with the SAP ERP system. An associated university had already opted for xSuite's software solution for the same purpose, so the University of Stuttgart followed its lead.

Previously, most invoices arrived in paper format and in some cases as PDF files. Derya Hibinger from financial accounting did not have an exact overview of the respective shares since procurement is handled in a distributed manner at the University of Stuttgart. This means that each of the 150 institutes organizes its procurement independently. Accordingly, invoices (up to EUR 20,000) were sent locally to the individual sites and institutes. The recipient institutes then forwarded these to the central accounting department; in the case of PDF invoices, these were printed out again for this purpose. This situation was meant to change with the introduction of an SAP integrated invoice solution.



Universität Stuttgart

Company

Web: <https://www.uni-stuttgart.de>
Sector: Research & education
Headquarters: Stuttgart, Germany

xSuite® solution

- SAP integrated accounts payable invoice automation with SAP PSM, SAP FI/MM
- Solution to accept and process invoices in electronic format (PDF, XML formats)

Decisive arguments for xSuite

- Deep SAP integration
- Easy to use
- Good price-performance ratio

Systems integration

- SAP ERP, SAP S/4HANA

Deep SAP integration, simple operation

“SAP itself also offers the functionality to accept electronic invoices,” says Derya Hibinger. “However, due to the simpler operation and also the low cost, xSuite’s solution was the better option for us. Moreover, the fact that it deeply integrates with the ERP system also provides users with an experience as if they were working directly in SAP.”

All 150 institutes of the ten faculties were informed in good time about the upcoming changeover to a central invoice receipt process. Their first task was to inform suppliers to create invoices in the future either according to a predefined layout as a PDF to facilitate OCR or provide invoices in XML format.

A central incoming invoice e-mail box was also set up. Together with the xSuite consultants, first a concept was created and a test system was installed and piloted in the finance departments of four institutes of different faculties as well as two administrative units (TIK, Technical Information and Communication Services and Building Services, Department 6). After successful completion of the pilot, the remaining 146 institutes were also connected in a staged manner.

The university does not use the optional state portal for e-invoices. The reason for this is that it can only handle invoices in XML format, yet many suppliers did not have the required technology in place to generate this format back when the portal went online. Even in the spring of 2023, only around 20% of incoming documents were in XML format.

Invoices now arrive at central accounting, and the invoice data is automatically transferred to SAP. The accounts payable department checks the information contained for plausibility and, if necessary, completes or corrects it by reconciling it with the SAP master data. The workflow then sends this data to the procurement department of the respective institute for factual verification. Invoices are stored in an electronic archive in an audit-compliant manner.

Fast and easy to manage AP processes

The university receives around 130,000 incoming invoices each year, which means that the accounting department handles an average of 400 invoices every day. Major suppliers include a personnel agency that provides job advertisement services, an office supplies wholesaler, an electronics wholesaler, the telecommunications service provider and a printer manufacturer. Thanks to the new workflow, most invoices are processed and ready for payment after two to five days.

Derya Hibinger: “If an invoice contains all the information as intended, it will be processed without a hitch in the new xSuite solution. This reduces the workload of the institutes and provides us with a previously unknown level of transparency in accounts payable. The Invoice Monitor shows us at a glance which invoices are currently in the system and what their status is.”

University of Stuttgart & xSuite

This also makes it much easier to control the flow of invoices. If the university is unable to validate all 400 documents within a single working day, it can easily prioritize those with discounts and send them to the institutes for approval first.

“Whenever speed is of the essence, we can pay within ten minutes. That would not have been possible in the past,” says a satisfied Alexander Muks, head of financial accounting.

Reimbursements, transfers and offsets

Especially for refunds, transfers (within an institute) and internal settlements (institute A invoices institute B), xSuite has developed a custom web application for the university. Dedicated form screens can be used by suppliers or institute employees to enter data and submit receipts. For instance, if a user wants to claim a reimbursement, they enter their personal data and the reason in the corresponding screen and then upload their account statement and paid invoice. The process then pops up directly in the Invoice Monitor, and the contents of the various fields are transferred directly to SAP. In the past, processes such as this were carried out entirely on paper. The new digital workflow saves everyone a great deal of time and effort.

Smart migration to S/4HANA with xSuite

The University of Stuttgart is set to migrate to S/4HANA in 2023.

“For invoice processing, the update to S/4HANA means that, going forward, we will process invoices based on purchase order reference using SAP MM,” explains Derya Hibinger.

An SAP purchase requisition is created in the traditional manner, and the release procedure is handled in advance, rather than after the invoice arrives.

The xSuite invoice workflow integrates with S/4HANA just as seamlessly as with the previous SAP system and works equally well for MM and FI invoices: As before, all invoices with or without purchase order reference arrive in the central Invoice Monitor and are forwarded from there either to the FI or MM workflow. For the accounting department, the switch to order-based purchasing further optimizes the workflow, which is fully supported by the xSuite software. The only thing that needs adjusting is the OCR process: In the future, it must also recognize order numbers as well as quantity or price variances because this information determines the applicable workflow.

With the switch to S/4HANA, xSuite will also provide the University of Stuttgart with line item-level approval. While header and line item data (as part of the XML data record) are automatically transferred to SAP in the case of XML invoices, only the header data was initially transferred for simple PDF invoices. The solution is thus being improved step by step, in line with the move to the new SAP product generation.