Asklepios: Where E-Invoicing Makes a World of Difference

Use of xSuite Group's solution for automated processing of incoming invoices in SAP leads to success at hospital operator

With the aim of providing the best possible patient care, Asklepios strives to create optimal efficiency by leveraging its IT applications in the organizational and back-office areas. The introduction of a solution from xSuite Group for automated, SAP-integrated invoice processing has done just that. Faster throughput times result in higher cash discounts, improved liquidity, and savings in resources. In addition to the invoice processing solution, the hospital group has introduced audit-proof archiving. Both solutions bring the company valuable transparency and audit security in the entire area of invoice processing.

Asklepios Kliniken GmbH & Co. KGaA operates a medical cluster with around 160 healthcare facilities in 14 German states, treating over 2.5 million patients a year. An additional 850,000 patients are treated at five robust RHÖN clinic locations, which were acquired in 2020. With 66,000 employees, Asklepios is one of the leading hospital operators in Germany, covering the entire range of care: University hospitals, acute care clinics for basic, regular and specialized care, maximum care in hospitals, medical care centers, and specialized clinics for rehabilitation for upstream and downstream levels of care. Asklepios also runs Medilys GmbH, one of the largest hospital laboratories in Europe.

Each facility and each cluster used to have its own accounting system. Due to job-market conditions, it has not always been easy to fill vacant positions adequately. In order to counteract the shortage of skilled workers at an early stage, a central shared services center was set up in 2016 to centralize and standardize accounts payable.

ASKLEPIOS

Company
Web: www.asklepios.com/en/
Sector: Health Care
Headquarters: Hamburg, Germany

xSuite® solution
SAP integrated invoice processing
(xSuite Invoice)

Systems integration
SAP S/4HANA

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Consistent monitoring of impending cash discount losses

It has been a number of years since the accountants in the Shared Service Center started working with xSuite's automated invoice processing solution. When it was integrated into Asklepios' SAP system, one of the goals of implementation was to speed up invoice turnaround times by leveraging automated acceptance via e-mail and digital review and approval. Another goal, critical for liquidity, was to avoid impending cash discount losses, achieved through consistent monitoring.

According to Hafid Rifi, Chief Financial Officer (CFO) of Asklepios Kliniken GmbH & Co. KGaA, "This has become a tool with which we can increase our cash discount achievement rate. It allows us to accurately measure lead times, and provides us with greater transparency and audit assurance throughout the invoice management process."

The elimination of manual activities has reduced the rate of error, and processes in finance and purchasing (P2P) have become more efficient and dependable. In this process, the number of documents posted automatically in the background, formerly zero, has steadily progressed.

Keeping targets in sight with KPI-monitoring

For cost accounting (SAP FI), the xSuite solution sends a daily e-mail notification to remind approvers and releasers of any documents that are still open. They can view and edit their current records in a browser-based interface. Tracking various KPIs makes closer monitoring of the goals announced with the introduction of the solution possible. Metrics tracked might include the document cycle time prior to parking, how long they remain with the invoice releas-er, or the total number of invoices in the system.

Each invoice is allocated correctly

Invoices with purchase order reference (SAP MM) are automatically posted upon goods receipt. The supplier number and cost center on the invoice are scanned and, based on scan results, the software allocates a G/L account. With auto-routing, therefore, each invoice ends up where it belongs. If an approver needs to halt payment, a reason for rejection can be selected from among the text modules. The system will then automatically generate an email to the supplier with a rejection letter and a copy of the respective invoice. The copy is archived in the system and can be viewed at any time. This entire process is triggered automatically.

Until this change, material-based invoices that, for conditions caused by the process, only had a statistical purchase order item, would get stuck in the Invoice Monitor during the regular process because they could not be posted automatically. These invoices then had to be sent manually into the purchasing department's workflow. Now they are automatically filtered out based on defined criteria, and automatically forwarded to purchasing. As a result, the invoices are not lost among the others, and delays are prevented.

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Compared to 2014 (77%), the hospital group is now able to take advantage of 99% of possible cash discounts. The number of e-mail invoices is also increasing: From 2017 to 2020, the number of invoices received digitally rose from 19% (with a document volume of 281,000) to 54% (294,000 documents). The rate of background posting is now 71%.

"Background posting allows us to operate more efficiently than we ever have before," says Hafid Rifi. For the cases in which background posting doesn't go through, various reasons can be identified: Differences in quantity or price, or a missing goods receipt, a purchase order, or vendor master data. The IT team can now analyze and categorize these reasons.

The result is ongoing optimization of the P2P process. Collecting KPIs makes it possible to drill down to the exact reason that an invoice has failed to be posted in the background, as seen in the example of incorrect master data.

The invoice workflow in times of home office
For CFO Hafid Rifi, increasing efficiency is an important objective. At Asklepios, one way this is achieved is by using the invoice processing solution to track which payment flows are actually circulating and when which expenditures are made. The benefits of location-independent processing of invoices have become more apparent in times of home-office operation. Turnaround times have remained constant: Digital approval and release of invoices via web browser is just as time-efficient working from home as it is from the office. Thanks to the standardized process, many tasks can also be distributed with great flexibility.

Recently, Asklepios also migrated its SAP system to the new S/4HANA product generation using a greenfield approach. Since xSuite's invoice processing solution is fully integrated with S/4HANA, work could go on without a break.

Hafid Rifi is convinced: "E-invoicing makes a difference." The speed at which information can be retrieved from invoices and at which invoices can be paid is an important competitive advantage for the CFO. "Working with an automated, digital invoice workflow like the one from xSuite can be a game changer in Accounts Payable."

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