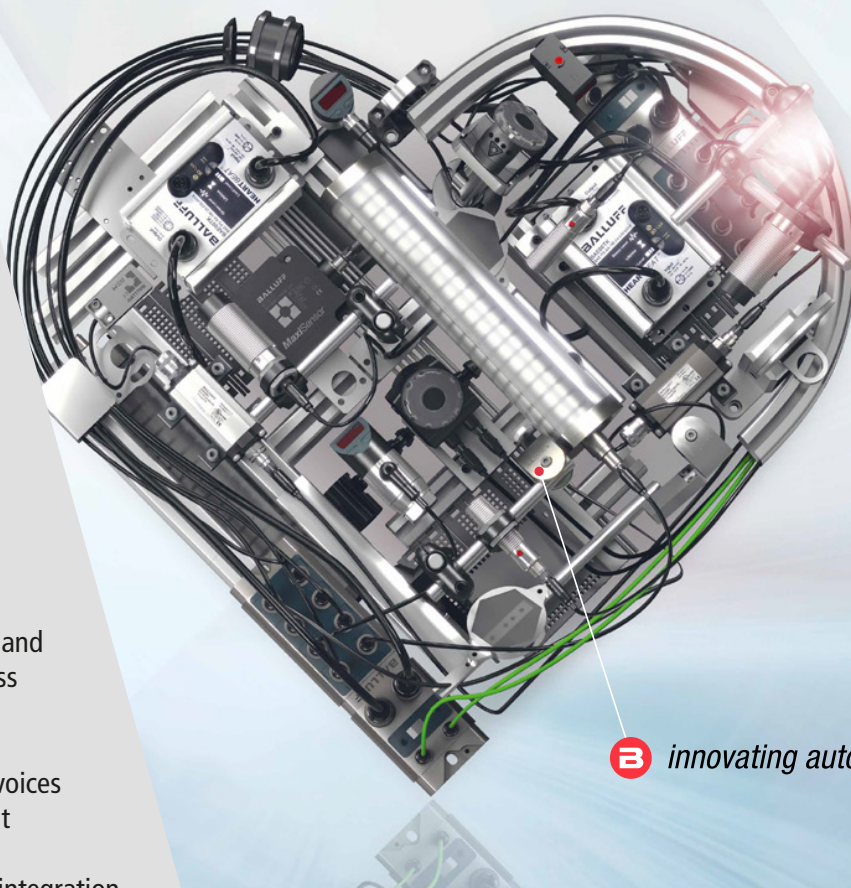


INVOICE SOLUTION
Balluff

THE HEARTBEAT OF
INDUSTRY 4.0



Challenge:

- » Global orientation:
37 subsidiaries, 68 countries
- » Non-transparent processes regarding
supplier invoices
- » Complicated, inconvenient, expensive and
non-transparent invoice release process

Solution:

- » Automated processing of incoming invoices
incl. scanning, archiving and intelligent
data extraction
- » Release authorization rule by SAP HR integration
- » National and international rollout

Benefits:

- » Processing of over 100,000 incoming invoices in
13 Balluff companies
- » Complete transparency in accounting
- » Independent rollout by Balluff possible through
template approach
- » Complete process documentation for process reliability
- » Maximum transparency

 *innovating automation*



Balluff automates processing of incoming invoices

»innovating automation« is the slogan of the sensor and automation specialist Balluff. The company is one of the leading suppliers of high-quality sensor, identification and network technologies as well as software for integrated system solutions for industrial automation.

Family-run for more than 90 years, around 3,600 employees in 37 subsidiaries with sales, production and development locations around the globe are committed to the company slogan »innovating automation« today. Together with other agencies, Balluff guarantees the highest quality standards in 68 countries. This market presence requires strong networking and efficient processes. Therefore, the company is now rolling out its automated solution AFI Invoice for incoming invoices worldwide. The software solution of

AFI Solutions GmbH has stood the test at Balluff's headquarters and will be deployed in other German-speaking and foreign subsidiaries in the future.

Balluff: all senses for automation

It is obvious that Balluff is enthusiastic about automation. This is perfectly clear because it is Balluff's business field to standardize, simplify and accelerate industrial processes through automation. For this purpose, Balluff develops and produces precise and powerful sensor and automation solutions as well as systems. However, automation is not only found in the manufacturing industry.

Work processes can also be accelerated and handled better in Balluff's own daily business through automation. As early as the 1990s, the ERP system SAP was therefore introduced to coordina-

te all business processes uniformly. In conjunction with a digital archive, improvements in time and quality could be achieved in financial accounting among others.

Paper: Slow and non-transparent

Paper continued to be processed until the end because storing was originally carried out late. This process was slow and non-transparent. For example, supplier invoices were stamped with a date stamp in the mail room to arrive at one or more signatories via the accounting department. At some point, the invoice which had been released in the meantime, found its way back into the accounting department to be posted. An overview of the invoice status was impossible! Despite of the ERP system, the invoice release process was complicated, inconve-

nient, expensive and non-transparent. Unfortunately, this or a similar scenario can never be completely avoided when paper is involved, no matter how well a company is otherwise organized.

Automation: efficient processes

Therefore, further optimization possibilities were not only possible at Balluff but also desired. Balluff searched for adequate software providers that develop an automated processing of incoming invoices and work with early scanning and storing including intelligent data extraction. Electronic data transfer to SAP should be as efficient as possible and document processing should be convenient.

AFI: process and solution provider

After the selection procedure, Balluff opted for AFI's solution AFI Invoice. Reasons for the provider from Stuttgart were – apart from the close proximity and uncomplicated integration of the archive – above all the profound SAP integration as well as the mature



product standard of AFI Invoice. Individual adaptations should be kept to a minimum, if at all. AFI not only stood out as a solution provider but also as a process provider. Balluff's requirements and AFI's supply were the best match. During the presentations and workshops, AFI's competence was clearly visible to the decision-makers and the price-performance ratio was the most attractive of all providers.

SAP HR model of organization: rules of release authorizations

In order to accelerate and simplify the processing of incoming invoices, the responsibilities at Balluff were revised and optimized during the introduction of AFI Invoice. The integration of the AFI software into the SAP HR model of organization made it easy to define clear rules for release authorizations.

Transparency and efficiency: automated processing of incoming invoices

Accounting now has complete transparency at any time due to the Monitor, the so-called »AFI Invoice invoice reception book«. All invoice documents are visible at a glance, outstanding amounts and due dates are known and the respective workflow processor is easy to recognize. Comprehensive filter options make the work of the specialist department even easier. And the workflow processors checking and approving invoices also receive maximum and compliant support by intelligent, electronic assistants.

Supplier communication: CI-compliant

In the meantime, over 60,000 incoming invoices are scanned, read, validated and conveniently processed with electronic workflows at Balluff every year. But this is not all. Invoices with purchase order reference and goods receipt obligation that do not differ in price and quantity from the goods receipt are posted without further inquiry after manual checking by the person in charge. If deviations should arise, the delivery note is checked. If the data of the delivery note do not correspond to the invoice, the purchasing department is consulted electronically.





On the basis of this decision, a debit, credit memo or account maintenance is initiated or a subsequent delivery is requested.

Coherent transaction:

no difference for MM or FI documents

Another advantage of the AFI solution is that invoice documents can be changed for a long time. Until such time at which the SAP invoice object is created. Every accounting employee knows that SAP does not allow any changes if an MM document was accidentally created as an FI document. Only cancellation and new creation can correct the error. With AFI Invoice such an error can quickly be corrected since MM and FI invoices are processed coherently in one single transaction.

End-to-end verification

All work steps are logged and archived in AFI Invoice for end-to-end verification. This is not only useful and necessary for internal auditing purposes but also for financial and tax audits. A complete process documentation was created for process reliability.

E-Invoices: advanced processing

In 2012, the corporate headquarters decided to extend AFI's software to process incoming invoices electronically. With the module »e-Invoice-Mailbox« over 200 PDF invoices can now be processed just as efficiently as paper invoices every day.

Rollout: national & international

Since AFI Invoice went live at the Neuhausen headquarters in 2009, various Balluff companies have gradually been equipped with AFI's software. The accounting of the different subsidiaries is handled by the Shared Service Center in Neuhausen for the most part.

Since 2012, Balluff SIE Sensorik in Viernheim processes its incoming invoices paperlessly. In 2014, further rollouts took place in the European companies in Denmark, Sweden and Hungary with around 20,000 invoices per year at the time. The special feature of this was that Balluff was able to connect AFI Invoice to the other locations almost independently by means of a template approach. In 2015,

the subsidiaries in Switzerland, Austria, Slovakia and Munich were supplied with AFI's solution almost »en bloc«.

AFI Invoice was recently introduced at Balluff in Poland and two other German subsidiaries. Today, a total of thirteen Balluff companies process over 100,000 invoices with AFI's product. *"For us, AFI's solution has become standard software that can be supported centrally in Neuhausen. It serves our Shared Service Center as a communication platform for processing incoming invoices in the local subsidiaries and posting them in Neuhausen, thus offering optimum transparency",* says Stefanie Ruf, Head of Shared Service Center.

BALLUFF

Founded in Neuhausen a.d.F. in 1921, Balluff with its 3,600 employees around the globe stands for innovative technology (progress), quality and cross-sector experience in industrial automation.

As a leading sensor and automation specialist, the fourth-generation family business offers a broad portfolio of innovative sensor, identification and network technologies as well as software for integrated system solutions. In 2017, Balluff Group recorded sales of around 459 million euros. In addition to the central company headquarters in Neuhausen a.d.F., Balluff has sales, production and development locations around the globe and is represented by 37 subsidiaries and other agencies in 68 countries.

This guarantees customers a fast availability of the products worldwide and a high quality of consultation and service directly on site.



AFI Solutions GmbH is a leading solution provider for the digitization and optimization of document processes around SAP. The solutions cover the entire purchase-to-pay and order-to-cash process.

AFI is the only software manufacturer on the market that offers everything from a single source: With the RedPaperCenter as a managed service, companies can easily outsource the digitization of a wide variety of paper documents. In process optimization, AFI scores with SAP-integrated software solutions. The cloud-based DocumentHub as software as a service (= SaaS) completes the unique product portfolio.

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