

INVOICE SOLUTION

Jet Aviation

Challenge:

- » Create maximum transparency over 60,000 incoming supplier invoices per year

Solution:

- » Implementation AFI Invoice
- » Conforming to Swiss POR (ESR) Procedure
- » Central receipt of invoices in Basel

Benefits:

- » 30% decrease of processing time during invoice verification
- » Simplification of invoice verification through electronic workflows
- » Avoidance of workarounds
- » Optimization of external and internal communication



Solution for an agravic processing of incoming invoices in the aviation industry

Agravic paper means: it is no longer existent! By the use of the software AFI Invoice by AFI Solutions GmbH, the Swiss global corporation Jet Aviation obtains a maximum of transparency on the 60,000 vendor invoices coming in per year and thereby streamlines its processes. The paperless handling of vendor invoices facilitates a significantly reduced processing time, generates reportings and thereby offers the opportunity to optimize further business processes.

Transparency needs Electronics

The Swiss corporate group for business aviation Jet Aviation is "very satisfied" to have chosen the software producer AFI for the electronic processing of incoming invoices, says Oscar Fernandez, Director Financial Services & Treasury EMEA. It was the intention of the

global corporation to optimize a core process, the incoming verification of invoices. *"It has become clear to us for quite a while that we have to map the invoice verification process electronically in order to obtain more transparency and an accelerated as well as a more comfortable handling. It was a challenge to fathom what it is that we want exactly in order to find a suitable and sustainable software based on this knowledge."*

Mandatory and optional Criteria

The requirements of the departments involved in the invoice verification process were gathered, arranged and categorized systematically. Through the analysis and the subsequent workshops, Jet Aviation was able to define what the mandatory and optional criteria for the future invoice verification

should be. As responsible project leader, Oscar Fernandez explored the supplier market in order to find an appropriate software. Based on the prepared requirement profile, only a limited number of companies was available. Jet Aviation compared a Swiss specialist provider to a standard SAP development company and a leading German software company specializing in document processes in SAP: AFI Solutions.

Several Items are decisive

According to the project leader "several items were decisive in our selection process. The main criterion was the integration of the software in SAP. It was also vital to involve our staff members without access to SAP in a reasonable manner. Personally, it was very important to me that the software is

fully developed and future-proof, that it possesses numerous functionalities in the standard version but that it can be customized nevertheless – without a great deal of energy. An additional and not to be ignored criterion was the user-friendliness. The users should work comfortably with the software after all and this only happens when they really like it.”

C onvincing through Knowledge

The »hardest nuts to crack« of the mandatory and optional criteria were discussed with the three software providers in English presentations. Oscar Fernandez explains the decision for the German software company as follows: *“AFI was able to convince us of its high degree of experience in SAP and in document processing and that its software can be adjusted to our demands which are quite special to some extent.”* Needless to say, the price and the company philosophy were important adjacent to the know-how.

C entral Receipt of Invoices

A central receipt of invoices was generated in order to process the paper invoice as efficiently as possible from the start. Today all suppliers from five Jet Aviation sites meanwhile connected to AFI Invoice send their invoice to the headquarters in Basel. This is where the invoices are digitalized by scanning, validated afterwards and automatically stored in an audit-proof electronic archive so that they can then be transmitted to the actual processing: the invoice validation process. The software knows where the release workflow should start and end through the automated agent determination.

Foreign invoices which partially come in by e-mail with PDF attachment are processed according to the same principle. The only difference in this connection is that AFI Invoice collects the invoice which has already come in digitally from a corporate directory and automatically suggests the tax key of the supplier’s corresponding country within the recognition.

S ignificantly reduced Processing Time

The processing time of invoices has been significantly reduced through the centralization of receipt but mainly through the electronic and automated

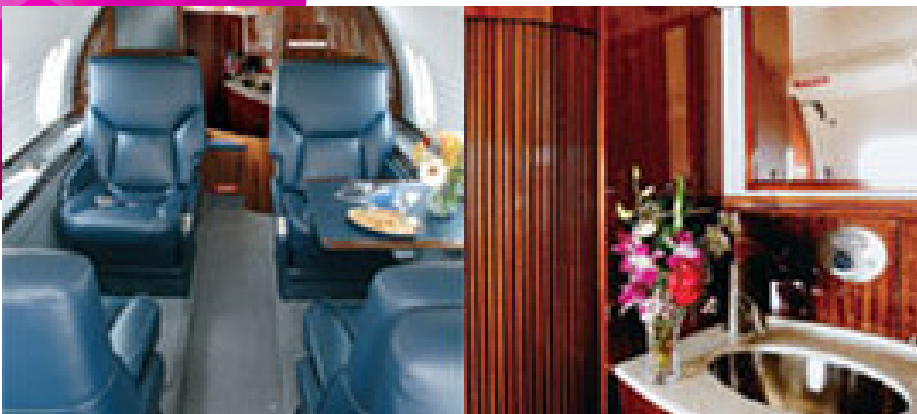
processing. It is as impossible that an invoice remains unedited in case of vacation or illness just as that the invoice gets lost or is transmitted to the wrong person in charge. Oscar Fernandez describes one of the objectives achieved as follows: *“On average, paper invoices had cost us one third more of processing time. Everyone involved notices that the electronic workflows offer a maximum of support”.*

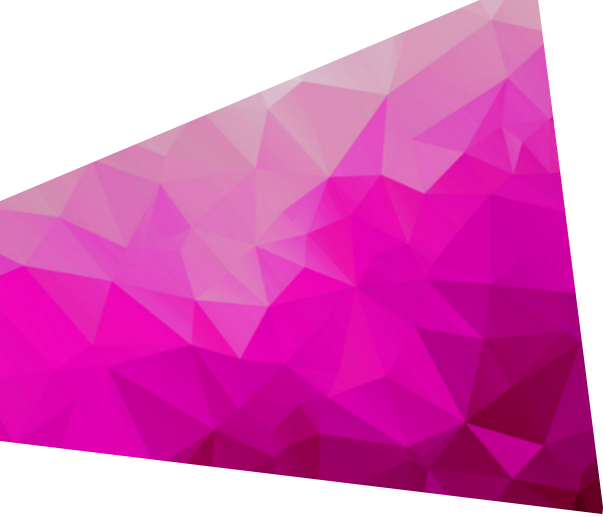
G lobal Overview

The invoice reception book of AFI Invoice, the monitor, combines all contents of a process into a bundle and displays every processing status clearly understandable. The monitor is available to everyone involved in the validation process no matter if the invoice validation takes place inside or outside of SAP. Persons without access to SAP are involved through the internetbased and secure web portal. The view in the monitor can be set up individually through numerous filters. In the process, the provided authorization concept makes sure that only the data which are personally relevant are shown. *“For me it is important to have a general view of all incoming invoices which are in process in the company, for example for reserves regarding the monthly balance. The project leader knows that “I can deduce my decisions from all the information displayed and react correspondingly.”*

S wiss POR (ESR) Procedure

“AFI Invoice perfectly implements the Swiss POR (ESR) procedure”, Oscar Fernandez states. This procedure is a corporate payment document of the Swiss post office (VESR) and the Swiss banks (BESR). For companies based in Switzerland, the monetary transactions





between the invoicing and the bill-to party are facilitated. AFI Invoice reads the unique reference number on the incoming invoice or the enclosed payment form, identifies the corresponding transaction in SAP and automatically assigns it to further processing.

Avoidance of workarounds

Workarounds can almost be avoided since the software for the automated processing of incoming invoices supports the day-to-day business of many departments at Jet Aviation. Recharging in accounts receivable is possible considerably faster for example, which has a positive impact on the cash-flow. The project leader knows that the *"hustle and bustle"* is dodged by avoiding the paper release process and *"this saves a lot of time."*

The freight department, the department for landing charges as well as the purchase department also profit from the electronic processing and the significant increase in transparency. The creating of backup copies and the tedious searching in files is no longer necessary either. Today there hardly are delays or duplications of work through the consequent electronic processing. Oscar Fernandez remembers that *"the*

former approach was complicated and time-consuming and thereby expensive."

Rejection or Postponement

Even with AFI Invoice it cannot be avoided in the business area of Jet Aviation that from time to time incoming invoices cannot be released directly because there is need for clarification with the supplier. On the one hand this can lead to a rejection of the invoice by the person in charge or to a postponement through the activity category *"on hold"*. Therewith, *"on hold"* regards the invoice as a transaction which is in active clarification.

This function is used in order to skip the escalation which would regularly be started by the person in charge within five days upon non-reaction. The software provides the component SupplierCOM for the consultation with the supplier. Thereby, a compliance conformable letter is generated out of AFI Invoice and sent by e-mail directly from the application. Internal queries are dealt with via the *"electronic post-it"* and it is no longer necessary to pick up the phone. Everything is saved to the transaction and marked in the monitor for traceability.

All information is concentrated at a certain point – without media disruption!

Reports as Optimization Tool

First of all, the *"statistical report"* states how long an invoice is in the release process until it has been rejected and why. Secondly, it informs about the number of workflows with a suspension of escalation. Thereby, the report admits conclusions to various potentials for optimization.

Deciding to repeat

Oscar Fernandez remembers the *"hardest nuts to crack"* and states that AFI has always provided advice to himself and his team in a competent and intensive manner and resolved the assignments of tasks straightforwardly. He would decide in favor of AFI Invoice again due to its excellent SAP integration. Because of the open architecture it is unobjectionable to outsource process steps to a shared service center in a secure and controlled manner. The modular design and the associated possibility to upgrade even at a later date as well as the flexible individualization also meet his approval.

Jet Aviation Group is a whollyowned subsidiary of General Dynamics (NYSE: GD) and was founded in Switzerland in 1967. Today it is one of the world's largest corporations in the business aviation industry.

Jet Aviation employs over 4,500 staff members at more than 20 sites in Europe, in Middle and Far East as well as in North and South America and operates in the areas of aircraft maintenance, cabin interior, VIP passenger services, aircraft management and air taxi as well as personnel services. The headquarters are located in Basel. This is where there is also run one of the world's largest and independent completions centers for cabin interior and aircraft maintenance.

www.jetaviation.com

AFI is a solution provider and leading manufacturer of software for the optimization of paperless, digital document processes around SAP as well as a provider of services for document capture and processing. AFI offers optimal solutions for the entire purchase-to-pay and order-to-cash process.

AFI combines state-of-the-art SAP technology with technical innovation to develop excellent software solutions integrated in SAP for processing a wide range of document types. Routine tasks are replaced by automated and paperless processes.

AFI Solutions GmbH
Sigmaringer Strasse 109
70567 Stuttgart
Germany

info@afi-solutions.com
www.afi-solutions.com

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