INCOMING INVOICE SOLUTION

State Capital of Stuttgart

Challenge:

» Rollout to 25 offices and municipal enterprises
» Around 1,500 users to approve invoices via
  AFI Webportal

Solution:

» The State Capital of Stuttgart runs AFI Invoice with
  SAP-PSM

Benefits:

» Ability to provide information obtained in the shortest
  possible time
» Backlog in invoice processing eliminated
» Maximum transparency achieved

AFI
SOLUTIONS

AFI Invoice for "galloping" processing of incoming invoices

Many offices, one solution. In order to optimally organize the finances of the State Capital of Stuttgart (LHS), the city treasury was looking for an automated solution for the processing of incoming invoices. With the help of the software solution AFI Invoice from AFI Solutions GmbH, the city treasury, the civil engineering department, and the municipal enterprise Stadtentwaesserung Stuttgart (drainage utility) achieved more transparency and efficiency in the processing of vendor invoices.

In the meantime, all municipal offices, with the exception of the building construction department, have been firmly integrated into the software solution. A solution has now also been found for the building department. Gradually, all 25 municipal offices have been integrated.

Since 2018, additional invoices and budget billing amounts from the ener-

gy suppliers, which have been checked and approved in a separate specialized procedure, have been processed as electronic invoices and posted automatically. This creates improved control of budgets at the offices.

Due to the successful introduction of electronic invoice processing, several offices would now like to connect their specialized procedures to AFI Invoice. After the workflow has been completed, the offices automatically receive reliable values as to which funds have actually been spent and at what point in time.

Decades of cooperation have proven their worth time and again

„Thanks to the healthy decade-long business relationship between LHS and AFI Solutions, we are now more than just a customer and provider - we are partners," says Heike Walch, Head of

the City Treasury.

Of course, AFI also had to participate in all invitations to tender and was not automatically awarded the contracts. Time and again, the proven and well-known business partner had to prove itself anew.

Elaborate determination of the person in charge

Those responsible for the city treasury were not satisfied payment processing. Paper invoices, which were slow-paced and could easily be lost, were still on their way to the offices for review and payment requests.

The original document was not digitized and archived until it had been approved and posted in the SAP system - as the final step in the process. If a vendor of the LHS called the city treasurer's office to inquire about the

settlement of his receivables, the official hardly had a chance to provide information as long as the transaction had not yet been posted in SAP. Only by asking structured questions was it possible to determine the correct transaction and the corresponding person in charge. There simply was a lack of readily available transparency on the city's liabilities.

Cost-benefit analysis

The competence team at LHS determined all the options the SAP standard provides for transparent invoice processing. However, all the solutions were not what the city's „financial manager" had in mind.

The task at hand was to convince the responsible decision-makers in finance administration that the ERP system needed to be optimized with additional software. After conditional agreement, the required tender for an SAP-integrated incoming invoice solution was initiated.

Those responsible for this IT investment were convinced on the basis of a cost-benefit analysis and concrete figures. After final approval, various providers were compared and evaluated. AFI Invoice emerged as the most suitable software for LHS. The most important criteria were met: interface-free integration into SAP and the option to run the solution with SAP-PSM. The incoming invoice ledger for maximum transparency was also convincing. So did the inclusion of non-SAP users via the web portal and the handling of the electronic workflow.

Knowledge transfer made easy

Staff from the city treasury, the civil engineering office and the municipal drainage utility were heavily involved as pilot users in the vendor selection process. Later on, they were jointly responsible for the software implementation and LHS-specific adjustments, but also for the knowledge transfer to the offices.

„We have developed our own training concept to familiarize all our colleagues with the new solution. Due to the intuitive and convenient application in all components of AFI Invoice, it was easy to develop a training program for this purpose. We could have employed AFI trainers of course, but as the people in charge, we wanted to be involved as much as possible. We like to be an internal support if a colleague has questions," explains Julia Straub, Project Manager at LHS.

More transparency

Since the introduction of AFI Invoice, invoice originals have been scanned in the mailroom and stored in the audit-proof archive. The digitized documents are then automatically read and processed. The aim of early archiving is to remove the invoice paper from the verification process as quickly as possible in order to provide transparency for all parties involved at the touch of a button.

Compliance with data protection

In further processing, the relevant departments are identified by the business reference implemented exclusively for LHS. They receive an automatically generated e-mail informing them that a transaction is ready for review and then initiate processing via workflow.

Even without SAP know-how, the responsible person can view the digital invoice original in the web portal, check its correctness and approve the transaction. Due to the stored authorization concept, it is ensured that data protection is maintained across offices. Julia Straub summarizes the benefits of the AFI web portal:

„We don't have to teach SAP to every approver and AFI Invoice informs the person in charge directly on a new transaction. As soon as it has been approved, delegated, or rejected by the responsible approver, the changed status is immediately visible to all workflow participants. Even notes, payment blocks, the payment status or due dates - everything is displayed immediately."

Information in the shortest possible time

The specialist departments are now able to provide information immediately if queries arise. Likewise, financial management or budget managers can quickly and conveniently evaluate all open or closed liabilities. The software also indicates a delay in processing due to the absence of an approver, whereupon it is possible to react quickly in order to meet cash discount periods.

„AFI Invoice has made invoice processing much easier, faster and more transparent for all of us," affirms Swen Reiche, a co-responsible in the project team.

Maintenance and further development

„Decades ago, LHS found a reliable partner in AFI Solutions, that is familiar with the broad scope of document management. We know that AFI will still be on the market in the future and therefore we are sure that all solutions we have from the software provider will be constantly available, maintained and further developed", Heike Walch points out.

It is important for LHS to always be up to date. Upgrades to new AFI Invoice versions are therefore a matter of course.