

PROCESSING OF CUSTOMER ORDERS

VAHLE Group



Challenge:

- » Central and digital processing of all incoming purchase orders

Solution:

- » Integrated SAP add-on incl. data entry with OCR

Benefits:

- » Automation of data entry and reduction of processing time
- » Reduction of lead times
- » Optimal use of company resources
- » Transparency of all incoming orders and their processing status



Automated order entry consistently digital

The impressive panoramic view from the 462-metre-high Lakhta Tower in Saint Petersburg requires crystal clear windows. However, one won't get very far with conventional cleaning methods when it comes to the highest building in Europe.

The Ferris wheel in Dubai, which in future will be the biggest in the world, also promises breathtaking views. But who provides for electrification and automation with maximum security at the same time?

In both cases, the systems of VAHLE Group play a key role: a total of 1,305 VAHLE power supply modules in Saint Petersburg keep operating the automatic window cleaning of the skyscraper.

VAHLE will deliver around 15 kilometers of special conductor systems plus a

monitoring system to Dubai to guarantee for a safe and secure experience. These are just two »small« examples for industrial plants that operate due to individual energy and data transmission systems from VAHLE.

This is no surprise because the company looks back on a success story spanning more than 100 years which is still characterized by pioneering spirit, innovative strength and a distinct sense for future-oriented technology.

First step in the order-to-cash process

Of course, this success is also reflected in incoming orders. In Germany alone, the medium-sized company from Kamen receives tens of thousands of orders per year.

Processing the incoming documents in the SAP ERP system costs the sales

department lots of time. Despite the web shop, 90% of customers order by e-mail with PDF attachment.

For Daniel Scheel, former Head of IT & Process Management at VAHLE, this is comprehensible: *“Most customers have their own ERP and merchandise planning and control systems from which they then generate the orders and e-mail them to us. They are reluctant to enter them a second time in the web shop.”*

In order to achieve more transparency and speed in the incoming order process and to take the pressure off the sales department, VAHLE knew that a central and digital solution was needed.

VAHLE is already exchanging EDI data for outgoing invoices with some major customers. Therefore, the option of a

complete focus on EDI was discussed but quickly dropped again for economic reasons for the order entry process as Daniel Scheel says: *“A disadvantage of EDI is the high initial specification and implementation effort. Despite certain standards, each customer connection has to be partially prespecified and tested.”*

From digital invoice processing to digital SAP customer orders

VAHLE already digitizes and automates the invoice receipt with AFI Invoice from AFI Solutions. In 2018, this resulted in an automated posting of over 35 percent for a high five-digit number of incoming invoices. Data capture or text recognition with OCR (Optical Character Recognition) provides the initial spark for further electronic processing of incoming invoice documents.

Due to the excellent experience with the SAP add-on for invoice processing, VAHLE also decided on the AFI solution AFI Order for the digitization

of incoming orders. Thereby, the company not only optimizes OCR license resources but also makes use of the existing OCR infrastructure.

The specialist department and above all the team leaders very much welcomed the solution because apart from reducing the manual effort, transparency about the processing status of all incoming orders was particularly asked for.

“In the past, it was not possible to see all incoming orders and their processing status at a glance. Previously, the employees accessed the orders on one monitor, then they had to search for the customer number and the order reference and thereby everything was entered manually on a second monitor in SAP – from the header data to each individual material item. People find it very convenient to pass on this kind of work to a software solution that automatically recognizes everything, enters it in SAP and displays it transparently”, says the SAP process manager to explain employee acceptance of the new procedure.

Challenges and benefits of OCR

The OCR software must be trained in order to optimally read out the incoming order. The technology is fine-tuned for each customer.

What looks like a lot of effort at first glance quickly pays off at VAHLE, as Daniel Scheel explains: *“We have conducted an internal analysis of the ordering behavior of our customers. Even if a few thousand customers order actively at regular intervals, 40 percent of all orders eventually come from selected regular and existing customers. This means that once we have trained the OCR with regard to these customers, a giant stride has already been taken towards implementation.”*

However, there still are one or two obstacles to be overcome. It is challenging for the OCR technology at VAHLE that the domestic order documents often contain a different customer material number apart from VAHLE's own material number.

Customers often maintain their own material numbers in their merchandise planning and control systems independently of VAHLE. Depending on the customer, the OCR must be taught precisely where VAHLE's corresponding material information is located.

Orders from abroad are easier to process because they are transmitted centrally to Germany by the subsidiaries and sales agencies and simply have one material number – namely that of VAHLE.

Crystal clear and secure: the incoming order process

In the past, many customers used to



send their orders directly to their contact persons but during vacation and down times these orders sometimes just stayed unprocessed.

In the future, all orders will end up in a central pool which will then transmit the order to the OCR software. The solution automatically reads and recognizes the header and material data. Ideally, the sales employee transfers the data from the PDF to the SAP order with two clicks.

Focus on customer

VAHLE consciously focuses its activities on the customer. Therefore, the new AFI solution AFI Order is also a component that serves this mission statement: on the one hand, customers benefit from faster service and, on the other hand, the internal sales force gains additional time for customer care.

The manual workload has been considerably reduced and at the same time the new procedure also creates more transparency as Daniel Scheel confirms: *"The new AFI solution enables VAHLE an even faster processing and a further reduction of the related »response time« to the customer. With immediate effect, order processing can be checked quickly and transparently at the click of a mouse. New resources become available which in turn benefits our customers."*

The solution was launched in Germany and will then be rolled out throughout Europe. The USA and China will follow successively.



The VAHLE Group supplies individual energy and data transmissions systems for mobile industrial applications in a wide range of markets.

VAHLE has a long history of success, characterized by a pioneering spirit, innovate thinking and forward-looking technology, which started in 1912. Since that time VAHLE has grown to provide its products and services in 52 countries around the world.

www.vahle.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.

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