"From 'master of disaster' to 'invoice master'":Giesecke & Devrient reduces discount losses by 90 percent with OpenText

Bank note and security specialist overcomes increasing volumes of supplier invoices efficiently and cost-effectively.

Trust is the most important capital of long-established company Giesecke & Devrient, which ensures the security of transactions and the authenticity of identities and values through its products, services, and solutions. Having developed its reputation and grown as a producer and printer of bank notes, the group, with 11,000 employees worldwide, generated almost half of its approximately EUR 1.8 billion in revenue in 2012 with digital security technology. However, Giesecke & Devrient not only claims to be a technology leader to its customers, but also internally and to partners.

Flexibility is increasingly important for Giesecke & Devrient (G&D) to be able to hold its own over the long term against smaller, agile competitors as the economy becomes increasingly digitalized. A few years ago, the group management initiated the strategic "CHANGE" project, through which the company aims to consistently and continually adapt its workflows and processes to meet changing customer requirements.

However, changing product offerings, an increasing number of customers, and outsourcing of services resulted in continual increases in the number of suppliers and their invoices. In 2004, only 32,000 received invoices were checked and processed in Germany; by 2012 the figure had reached 79,000. This resulted in delays, discount losses, and increasing costs. These problems are a thing of the past thanks to the migration to digital invoice processing from OpenText Vendor Invoice Management *for SAP® Solutions* (VIM).

Automated invoice processing reduces costs by 50 percent

Approximately 1,600 employees of G&D are integrated into the SAP® workflow of the OpenText solution at the Munich location. Invoices are delivered electronically to the invoice recipient on the same day as invoice receipt. After approval of the

INDUSTRY

Service

CUSTOMER

Giesecke & Devrient GmbH

CHALLENGES

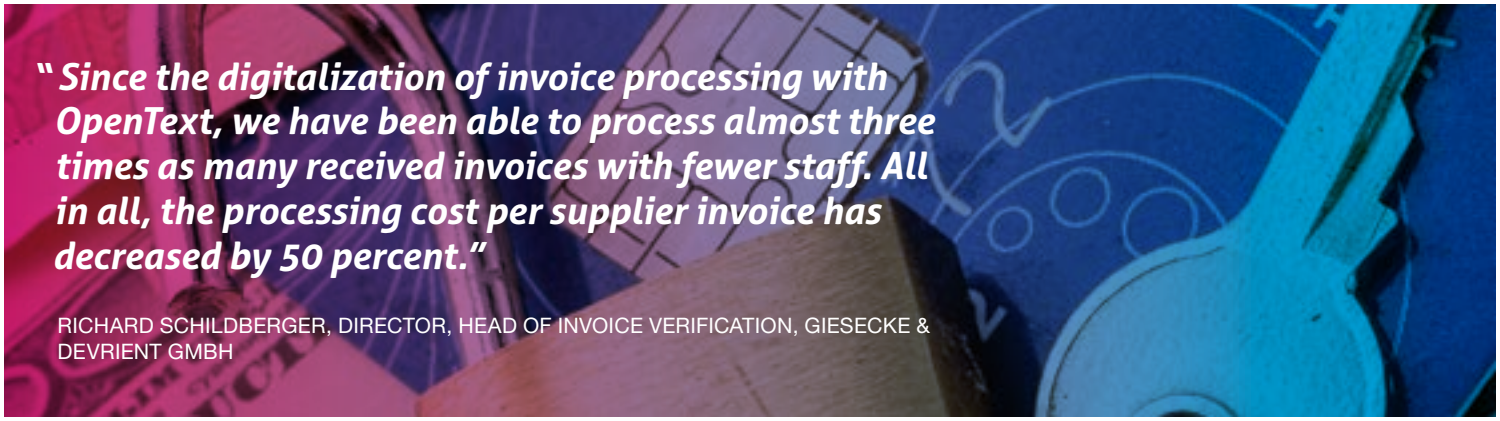
- Growing volume of invoices due to increased outsourcing
- Document turnaround periods were lengthening despite increasing numbers of staff
- Process costs and discount losses continually increased

SOLUTION

- OpenText Vendor Invoice Management *for SAP® Solutions*

BENEFITS

- Automation of incoming invoice processing reduces processing costs by 50 percent
- Digitalization streamlines the overall process and reduces discount losses by 90 percent
- Standard solution saves in translation and adjustment costs for international rollout



"Since the digitalization of invoice processing with OpenText, we have been able to process almost three times as many received invoices with fewer staff. All in all, the processing cost per supplier invoice has decreased by 50 percent."

RICHARD SCHILDBERGER, DIRECTOR, HEAD OF INVOICE VERIFICATION, GIESECKE & DEVRIENT GMBH

invoices, they are automatically routed to invoice checking by the system, are booked and regulated in the context of the terms of payment.

Before the initial introduction of the OpenText solution, this process was carried out by internal mail. If an employee who had triggered the order and was to subsequently approve the associated invoice was ill, on vacation, or occupied with other activities, there was no process for delegating the invoice approval to another colleague. The employees in invoice checking could only wait until the document reached them. This non-transparent process was prone to errors and delays. The document retention periods were lengthening, while discount losses were increasing. "By 2005, our invoice checking team had grown to seven colleagues, and was looking to continue growing. This increasingly drove costs up and yet we were not able to streamline processes," reports Richard Schildberger, Director, Head of Invoice Verification at Giesecke & Devrient in Germany. "Since the digitalization of invoice processing with OpenText, we have been able to process almost three times as many received invoices with fewer staff. All in all, the processing cost per supplier invoice has decreased by 50 percent."

Higher process speed reduces discount losses by 90 percent

Through digitalization of incoming invoices, Giesecke & Devrient took the opportunity to develop its own invoice checking from cost center to profit center and to allow it to play an important role in liquidity management. "The discount losses over the years add up to six-figure amounts each year. With the help of the OpenText solution, we were able reduce these sums by 90 percent," explains Richard Schildberger. The key to this success involves as high a degree of automation as possible, which increased once again in April 2014 as a switchover to e-invoicing took place. Since then, around 4,000 company suppliers in Germany have been able to send their invoices, credit notes, corrective invoices, and payment documents to a special email address as PDF files. The files are then automatically processed, archived, and read out using text recognition by the OpenText solution. The check, that ensures accordance with section 14 of the German VAT law, takes place automatically, and determines the required information is on an invoice. If the incoming invoice is incomplete, the supplier receives an appropriate notification. The overall process is managed by SAP Workflow, as SAP is by far the leading system in the G&D group. The partnership between OpenText and SAP and the resulting seamless integration at a solution level was also an important reason Giesecke & Devrient chose the OpenText solution. "By implementing OpenText Vendor Invoice Management *for SAP® Solutions*, we have transformed from 'Master of Disaster' to 'Invoice Master' in terms of invoice processing," states a happy Richard Schildberger.

Standard solution offers convenience and enables economies of scale

The automated processing of PDF invoices and the integrated text recognition are only two of the benefits of the OpenText solution. "The trigger for its introduction was the migration to SAP ECC 6.0. We were faced with a choice between adjusting our existing product solutionbased on OpenText or implementing the standard version of Vendor Invoice Management *for SAP® Solutions*," explains Richard Schildberger.

Due to the positive experiences with OpenText Vendor Invoice Management version 6.0, G&D decided to launch the project to upgrade to version 7.0, which also involved implementing a milestone for a worldwide template for the largest corporations. The success of the OpenText solution in Germany led to the decision to roll it out internationally for the largest corporations by 2014 and achieve economies of scale, because only one template needed to be developed for all countries. Internationalization of the existing project solution, on the other hand, would have been far more expensive. The necessary translation into three languages, English, Spanish, and Slovakian, for example, would have cost EUR 120,000 alone–an amount that would have been able to offset the entire investment cost of implementing Vendor Invoice Management *for SAP® Solutions*. "The standard solution offers many advantages," concludes Richard Schildberger. "Standardized support by the manufacturer and the ability to upgrade are as important as convenient standard functions, of which I would only pick out the option of being able to easily approve invoices via a smartphone or tablet, which G&D plans to have in use by October, 2014. All of this brings us a significant step closer to our goal of having a central system with shared services for all locations worldwide and a paperless document flow from receipt of the invoice to payment." ■

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