Hitachi Power Europe (HPE) GmbH

Industry
• Engineering, Constructions & Operations

Solutions
• OpenText™ Vendor Invoice Management for SAP® Solutions
• OpenText™ Archiving for SAP® Solutions
• OpenText™ Invoice Capture Center

Hitachi Power Europe digitalizes invoice processing with OpenText

Transparency, quality and speed are significantly increased using OpenText and SAP

“OpenText made the necessary changes to the product in the shortest period of time without impairing the depth of integration in SAP. In reality, the OpenText digital invoice processing feels like the ERP solution both from the technical and the user perspectives.”

Marius Bruckwilder
IT Manager
SAP at HPE
Hitachi Power Europe: a partner for a future with clean energy

Power station construction is booming globally. The growing demand for electricity and the need to reduce carbon dioxide emissions fuel the demand for more environment-friendly energy generation. As a market and technology leader, Hitachi Power Europe (HPE) GmbH, a subsidiary of Hitachi, Ltd., focuses on state-of-the-art, economical and environmentally-friendly power-generation plants. The plant constructor is responsible for the entire process from the planning stage through to the delivery of the turnkey product, and the business is characterized by a large number of suppliers. The workflows involved in the four- to five-year projects are extremely complex and highly individual. An example of one such workflow is invoice processing, in which almost all departments of the company and approximately 1,200 employees are involved. To make this procedure completely transparent and as automated as possible, HPE relies on the expertise and solutions offered by OpenText in conjunction with SAP.

Digitalization for more transparent invoice processing

Thousands of suppliers, tens of thousands of invoices and hundreds of thousands of pages of documents every year—the sheer volume and complexity involved in HPE invoice processing posed a risk to efficiency and quality. “In the last five years, the number of documents we have received has multiplied more than six-fold. On average, each invoice is four pages long—without attachments. There are also 100 new suppliers every month that have to be created and managed in the SAP system. You can easily imagine just how complex and time-consuming our invoice processing is,” stated Marius Bruckwilder, IT manager for SAP at HPE.

Incoming invoices are passed through a broad range of departments and sometimes have to be reviewed and approved by employees on the construction sites. It is not only necessary to ensure that the goods have been received in the desired quantity and quality, it is also about seeing and evaluating the product-accompanying documentation. The invoice heading “Documentation Supplied” can mean that an engineer has to comb through 500 pages of text to provide approval. Although this is an extremely time-consuming procedure, it cannot simply be bypassed due to quality assurance. This is the only way to ensure the supervisory authorities award the subsequent approval and operating licence for the system. “Long distances, numerous copies and cumbersome questions all made the process even more drawn out. Furthermore, we did not always know the current status of the audit and approval. We needed more transparency,” commented Bruckwilder, describing the situation before the OpenText™ Invoice Capture Center was implemented.

Standardization with OpenText reduces complexity

“Standardization was one of our core objectives when it came to the full digitalization of invoice processing—from receipt to payment,” emphasized Bruckwilder.

“Our most important IT standard is called SAP.” HPE has long aimed to establish all processes as a single construction project in SAP. The OpenText project should be a major step in this direction. “The invoice processing solution had to have a high level of SAP integration and use the SAP workflow. Of all the manufacturers we evaluated, OpenText was the only one able to meet this criteria,” emphasized Bruckwilder. “The sales partnership between the two providers was a further decisive factor as this means that we also receive the licensing and product support from SAP.”

“The users are our customers. The overall project will only be a success if they want to use the solution. We achieved this 100 percent.”

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OpenText: SAP standard flexibility

Up-to-date accounting data at all times is a prerequisite for adhering to costs and deadlines during complex HPE projects. The long period of time associated with the laborious auditing process is at odds with this.

The HPE invoice processing procedure therefore differs from the SAP standard process. Instead of entering individual invoice items only at the end of the process, this step takes place at HPE as soon as scanning and archiving with OpenText is complete. Payment is also blocked until the end of the invoice auditing process. This means that not only the project managers but also the financial planners and controllers can view the current accounting status at all times and incorrect invoices can be reliably detected and amended. “OpenText made the necessary changes to the product in the shortest period of time without impairing the depth of integration in SAP. In reality, the OpenText digital invoice processing feels like the ERP solution both from the technical and the user perspectives.”

“This is because all the functions are directly available in the SAP interface,” commented Bruckwilder. “No other manufacturer would have been able to fulfil this requirement.”

Invoice auditing at the press of a button increases productivity

OpenText is replacing the former internal mail with digital routing slips, which are managed by SAP workflows.

Links in automatic notifications direct users straight to the documents, which are securely archived for auditing purposes for ten years and can be immediately accessed at any time. The recipients are automatically determined by the OpenText solution on the basis of the HPE organizational chart mapped in SAP and can add comments and appendices to the invoices. “Due to the complexity of our invoice auditing, all the individual processes had to function smoothly right from the start,” explained Bruckwilder. HPE therefore used a large part of the OpenText project in tests, which were key to the success of the project. “This is because they allowed us to launch the new solution almost flawlessly. We were also able to adhere to our schedule with only a few weeks’ deviation and go live in October 2010,” explained Bruckwilder.

In addition to transparency, quality and an adherence to deadlines, the project’s success is also evident in the increase in productivity: although the number of incoming documents has increased six-fold in the last five years and will continue to increase considerably, HPE will not need to expand its workforce in accounts for at least the next few years. After all, OpenText makes the previously typical process delays, such as long distances, multiple copies and umpteen questions a thing of the past.

Employee involvement guarantees user acceptance

With digital invoice processing, HPE has been able to fully establish a further important process within its SAP infrastructure that is in line with the company’s standardization strategy. Even employees, who do not generally work with SAP but whose acceptance was critical to the success of using the solution, could be involved in the process.

“Getting the employees on board was one of the major objectives and a prerequisite for the project. The initial impetus also came from the departments themselves—financial accounting and logistics,” commented Bruckwilder. These two departments, along with external service providers, therefore took on a leading role in the process design and its implementation in OpenText. “However, this did not fulfil our obligations to the later users as an IT organization,” adds the IT manager at HPE. Now, following an effective training programme, even users with no prior knowledge of SAP can easily use the OpenText solution.

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