



STIHL Inc. CUTTING-EDGE TECHNOLOGY FOR ACCOUNTS PAYABLE

At a glance

Customer

- STIHL
- Founding year: 1974
- Employees: 2,000
- USA Head office: Virginia Beach, VA

Industry sector

Manufacturer - handheld outdoor power equipment

Key figures

- An annual volume of 100,000 invoices
- High recognition rate

Challenge

Optimizing the capture, data extraction, validation and posting process of over 100,000 vendor invoices yearly at the Virginia Beach, VA (USA headquarters).

Solution

FIS/edc® with OCR

Benefit

- Elimination of time-consuming manual tasks
- Improved efficiency, streamlined invoice verification process
- Increased productivity of AP personnel
- Improved transparency and audit ability

‘Dealing with thousands of invoices per month manually meant a lot of our resources were tied up carrying out tiresome tasks such as data entry and line-item matching. We needed to have a solution in place that would speed this process up, while at the same time increase the productivity of our AP personnel.’

Carter Barrett-Manager, Financial Accounting, STIHL Inc.

STIHL Inc., manufacturer of the number one selling brand of chain saws in the world, introduces automation in the Accounts Payable (AP) department of the U.S. operation, further demonstrating the company’s commitment to innovation and investment in technology.



Gone are the days of having to deal with sorting, distributing and filing of hundreds of vendor invoices daily. STIHL Inc. recognized they needed a more efficient process for handling their vendor invoices and, like many organizations in today’s economy, opted to transition toward automation for AP. But with so many solution providers in the marketplace offering AP automation tools, how was STIHL Inc. going to find a solution that best fit its requirements and provided the greatest overall ROI?

Employing industry best-practice technology for accounts payable automation, STIHL Inc. chose to implement internationally renowned SAP Gold channel partner, FIS Information Systems Inc. The FIS solution provides STIHL Inc. with a completely automated accounts payable process – from document and data capture, exception han-

dling functionality, role-based routing for approvals, and click-through posting.

The need for automation

Manual processing of vendor invoices at STIHL Inc. used to be a slow and complex process. Processing over 100,000 invoices yearly from its headquarters in Virginia Beach, Va., STIHL Inc. required a solution that would accelerate the invoice verification process in SAP.

Thus, STIHL Inc. was introduced to FIS Information Systems, the SAP solution provider with over 20 years of SAP experience developing integrated solutions and implementations worldwide. FIS presented STIHL Inc. with the custom-developed solution known as FIS/edc®. The FIS solution provided STIHL Inc. with a method for streamlining their entire invoice verification process – from scanning incoming invoices via

industry-best invoice recognition software (OCR), seamless and smooth transfer into SAP, automatic 3-way matching and exception handling, role-based routing for approvals utilizing built-in client email applications and click-through posting. With the introduction of *FIS/edc*®, STIHL Inc. has now eliminated many pain points such as paper-based processing and filing and heavy manual data entry. STIHL Inc. now enjoys increased efficiency and productivity in the AP department while concurrently reducing costs.

Project overview

After signing the contract in December 2009, the project got underway at a fast pace: The test phase started in mid-January 2010 and productive operation commenced on March 8, 2010. 'Implementation was efficient and problem free. Within a matter of weeks we were running our invoices through the scanner with high recognition rates.' (Guy Wallace-Manager, SAP Applications)

Best SAP integration

After reviewing other AP automation vendors, STIHL Inc. decided on FIS Information Systems not only because of its strong overall solution offering but also because it was one of the few vendors that provided a solution that worked entirely inside of their existing SAP ERP. Many vendors offer a solution using interfaces outside of SAP but very few vendors offer a solution built within SAP. 'We were very impressed with the integration of the solution, all invoice processing was done within our existing SAP environment using screens that look and feel like SAP standard, and so our staff was very comfortable with the application right from the start.' (Guy Wallace-Manager, SAP Applications)

Excellent recognition rates optimize the entire SAP-invoice verification process

FIS/edc® utilizes best-of-breed OCR technology that offers very high recognition rates for any layout without the need for initial training. The ability to smoothly capture form and free-form layouts at a very high quality in addition to processing EDI messages easily provides STIHL Inc. with an invaluable benefit. The system also supports the entire accounting process in SAP, and enables automatic posting of all header and line item details. FIS OCR recognizes that many invoices are unique with special characteristics and layouts, thus the system utilizes invoice templates that help fully recognize even the largest and most complex invoices. Due to the integrated knowledge database that saves data, the recognition rates get better with time, consistently performing better with each passing day.

Manual tasks have been drastically reduced

Manual processing of invoices can be a heavy burden for any AP department. However, with the introduction of *FIS/edc*®, STIHL Inc. is able to automatically collect relevant information of scanned invoices quickly and at a very high rate, validate them against existing master data or plausibility criteria and forward the information



▲ Karen Youngs - Supervisor, Accounts Payable

'We are very impressed with how accurate and precise the scanning software is in recognizing even some of our larger, complex invoices with multiple line items. The system is able to find and recognize each line item on its own, and also read prices and quantities before passing the data on to SAP. In the past, we had our AP processor compare each invoice line item with the original purchase order one by one. As you can imagine, this was very time-consuming and inefficient.'

seamlessly into SAP as parked documents. While in SAP, the AP processors at STIHL Inc. have the ability to view a listing of all scanned invoices in list format. Calling upon any of these parked invoices, leads to the feature-rich Invoice Monitor

to store and retrieve documents for auditing purposes. The history text feature included in *FIS/edc*® makes it very easy for users to call up vital invoice information with the click of a button. The history lists in full detail who



▲ Carter Barrett - Manager, Financial Accounting

screen, directly showing the scanned invoice document, invoice details and reference purchase order. Exceptions are laid out and highlighted automatically, hence eliminating the tedious process of manual 3-way matching. Finally, invoices with highlighted exceptions are easily transferred to an approver via the built-in email and role-based approval process. 'Invoices with exceptions are handled with ease as the invoice monitor comfortably displays all relevant invoice information and automatically highlights any discrepancies. This saves us a lot of time and facilitates greater utilization of our AP resources.' (Karen Youngs-Supervisor, Accounts Payable). The robust system is used to process over 100,000 invoices each year. 'Invoice processing now begins very quickly and is completed much faster, lessening the risk of missing early-pay discounts.'

Compliance, Internal Auditing and Reporting

Many new compliance laws and regulatory issues have elevated the need for organizations

'From an accountability standpoint, we now have a better monitoring system in place to keep track of all of our invoice activity.

Additionally, performing analyses such as the ability to compare recognition rates or to check which approvers need a disproportionately long time to process invoices can be triggered at any given time.'

performed what task concerning an invoice. As a result, the entire approval process is documented, which also proves highly valuable for internal auditing purposes as it leads to greater transparency and hence structured audit ability.

STIHL

STIHL is the trusted name for professionals and homeowners who demand power, dependability and longevity from their outdoor power equipment. For over 80 years, STIHL has led the industry through invention and innovation, developing technology that delivers performance, comfort and higher fuel efficiency. From legendary chain saws to trimmers, blowers, and more, each and every piece of equipment is built with unwavering standards that have made STIHL the premium name in outdoor power equipment.

The U.S. operation headquartered in Virginia Beach, Va., STIHL Inc. is one of several manufacturing facilities in the STIHL Group. The Virgi-

nia Beach complex is located on approximately 90 acres with more than 1 million square feet under roof. STIHL Inc. employs over 2,000 people nationwide in a variety of positions from manufacturing, product assembly, manufacturing engineering, sales and marketing, and finance. With over 8,000 dealers across America, STIHL Inc. manufactures over 200 model variations of gasoline-powered handheld outdoor power equipment, including chain saws, grass trimmers, leaf blowers, hedge trimmers, lawn edgers and more.

FIS GmbH

FIS Informationssysteme und Consulting GmbH is an independent company with 370 employees focusing on SAP projects.

As an SAP full-service provider, FIS works on all hardware platforms released by SAP and, as an

internationally active SAP Gold VAR Partner centers on the sectors 'industry' and 'technical wholesale'. This represents the top-level partner status of SAP AG. In addition, FIS applications can also play an essential role in other industries.

FIS develops separate solutions complementing and enhancing the SAP standard software products in a meaningful way. All software systems and tools offered by SAP are consulted, supported and licensed by FIS GmbH.

Being a Service House for the technical wholesale market, FIS is the ideal partner for the planning of systems, their infrastructure and implementation, go-live and continued technical support.

Efficient Methodology and Quality Management procedures ensure the consultation value of the projects. FIS is one of the few consulting companies being DIN EN ISO 9001 certified.



▲ from the left: Karen Youngs, Carter Barrett and Guy Wallace



FIS Informationssysteme und Consulting GmbH
Röthleiner Weg 1 · 97506 Grafenrheinfeld
Tel.: +49 97 23 / 91 88-0 · Fax: +49 97 23 / 91 88-100
info@fis-gmbh.de · www.fis-gmbh.de

