



Optimized process for invoice verification ensures compliance and saves money

A case study

From receipt to on-time payment, vendor invoice processing is costly in terms of time and money. And it is important not to make errors during the process, as they could quickly lead to major unavoidable costs. It is therefore easy to understand why Charles Vögele uses sophisticated, carefully designed processes and specialized computer systems to monitor and handle its vendor invoices.

The well-known fashion retailer Charles Vögele has made a considerable investment since 2000. First, a software system was installed to process invoices. This was followed by digitizing of paper invoices in five countries, with others following soon after. An audit in 2008 led to requirements for further improvements. A formal ordering system was needed, and a sophisticated four-eye principle had to be introduced for payments.

Charles Vögele was facing the challenge of optimizing the ordering process and, as part of the process, implementing invoice verification and payment processing that could satisfy the new requirements. The challenge was to create standardized processes and systems that could be used in all the countries where Charles Vögele operates. A small effective team was responsible internally, acting as the “single point of contact” for all questions and problems in this connection. The project began in May 2010, leading to a successful roll-out in Switzerland and another seven countries in August 2012.

A fully integrated and fully digital process was established under the motto “Need-to-Pay”, i.e. “from need to payment”. It ensures that no data is lost, all rules are observed and approvals are properly requested and

provided throughout the entire process from the time the need is reported and, finally, that invoices received are verified and paid.

We worked with specialized partners to develop a sophisticated solution that could satisfy these demanding requirements. “Basware,” for example, provided Tessi Solutions with software components for vendor

Charles Vögele Group

Charles Vögele is Switzerland’s leading fashion retailer, offering its customers top quality in the mid-range segment. The company is known for its fashionable, reliable clothing range and friendly service. Charles Vögele has close to 800 retail outlets in the following eight countries: Switzerland, Belgium, Germany, Liechtenstein, Netherlands, Austria, Slovenia and Hungary. The Company had 6,700 employees and gross sales of CHF 1.13 billion in 2013.

www.charles-voegele.com

invoice processing as a hosting service and also performs daily processing of all invoices.

After completing their assignments, vendors send paper invoices to a special post office box address with a postal code specifically for Tessi Solutions, "8901 Urdorf", where they are scanned and prepared using OCR (optical character recognition). Alternatively, they can send their invoices to Charles Vögele in PDF format via the invoice portal www.Billexco.com.

Centrally stored order data is used to automatically verify each invoice. If the invoice data are within specified tolerances, no manual inspection is needed and the account assignment data stored at the time of the order is automatically copied from the database. Otherwise, the invoice is channeled into an electronic workflow for further inspection and processed individually.

All orders and invoices can be accessed at any time in the system, the processing status is precisely documented and verifiable. In addition to creating transparency for employees and management, this also speeds up processing significantly and is practically error-free.

"Forgotten" invoices and invoices that are processed late are therefore a thing of the past, just like invoices without orders, or with orders that cannot be found. This means that time-consuming searches and unpleasant discussions with vendors about the basis for their claims can be reliably avoided.

The benefits can be seen at many points in the company, but were only possible because a precisely designed, fully integrated process was used. Uncoordinated improvements at isolated points would never have been sufficient. The improvements that have been achieved have led to excellent acceptance of the processes and systems by all of the parties involved, in spite of the unavoidable familiarization problems at the beginning. The invoice issuers were included as part of the process chain. Information about how important accurate figures and use of the proper format is in order to ensure prompt automated invoice verification and payment was positively received. After all, vendors also benefit from efficient workflows and rapid payment.

Faster invoice processing and better data quality thanks to the use of a fully computer-based system has already led to substantial savings. In addition to consistent use of payment discounts, savings were also achieved by eliminating the input tax losses that were occasionally unavoidable due to incorrect invoices and delayed corrections.

One of the main reasons Tessi Solutions was chosen as a partner was because it could offer a cross-country solution for all of the countries involved and had already proven itself in successful projects in a similar area in the past. •



"In addition to resolving existing audit issues, the process also created transparency, significantly increased efficiency and, last but not least, also generated welcome financial savings."

Giacomo Tovena, VP Finance at Charles Vögele

Client

Charles Vögele

Keywords

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Sector

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PDF invoices via Billexco.com

Invoice scanning

Accounts payable workflow

Introduction

2012

The Swiss branch of the French company, Tessi S. A. was established following the acquisition of RR Donnelley Switzerland.