

**Less work. More money
in the bank.**

A Case Study

What used to take 20 days can now be done in 5 – with annual savings in the 6-figure range. Alpiq InTec has automated its invoicing process.

As with many mid-sized businesses, invoicing has been mostly a manual process, even at Alpiq InTec until recently. Over 300,000 invoices from around 12,000 suppliers arrive by mail each year at around 80 Alpiq InTec locations across 14 companies in Switzerland. Today we process over 400,000 invoices, and that number is rising.

“The processing costs were simply too high. Errors would creep in during data entry and handling reminders was inefficient. Paper invoices often led to additional inquiries at the branch locations and, in some cases, these had to be re-requested from suppliers. There was also no central access point and multiple copies would circulate through different departments”, says Heinz Rhyner, Head of Finance and Accounting for Alpiq InTec Group, in a summary of the earlier situation.

He calculated that under the old system the company missed out on substantial opportunities for early payment discounts – a strong argument in favor of finding a new solution.

External and internal view

To develop the system specifications, Alpiq InTec turned to an external expert. To the question of whether he would do this again in hindsight, Heinz Rhyner responds with an unequivocal “yes”.

“The outside perspective of the processes, needs of the departments and the soft factors was valuable and moved us forward more quickly in many respects”, he explains. He also notes that the composition of the team and support of management were critical to the success of the project. Another factor that required early

consideration was which new responsibilities the employees in Administration could take on once a major aspect of invoice processing was no longer necessary.

“We made a point of getting people from the operating area on board. They were familiar with the day-to-day challenges of handling supplier invoices. They could ask the right questions and provide important information and gain the support of their colleagues for the change”, Heinz Rhyner explains. He points to the latter above all as a decisive factor for the acceptance of a new solution: *“Unless we can be sure of this, the risk of failure is high”,* he says.

Getting started

The project was kicked off with three oneday workshops held over ten days.

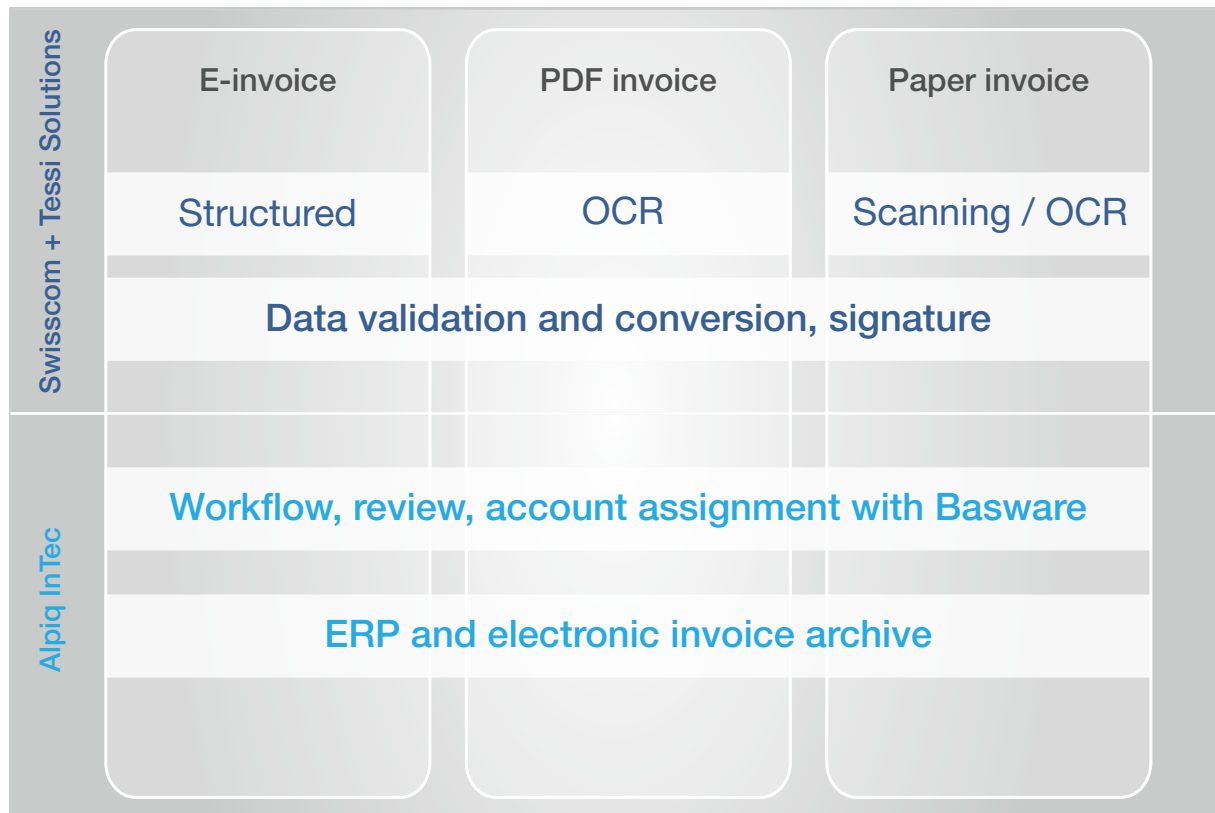
The focus of the first day was on project objectives and scope as well as the enterprise, content and document management system, success factors and potential obstacles. Issues related to make-or-buy strategy and archiving were also discussed, solution scenarios were developed, and a list of requirements for the top 10 bidders was created.

On the second and third days, the focus turned to refining the solution scenarios, clarification of key questions, finalizing the project specifications and a definitive selection of potential solution providers. Ultimately, a total of eight providers were invited to present possible solutions, from which four were selected for further consideration and two received the final award.

Two heads are better than one

Alpiq InTec’s decision to choose a combination of two service providers, Swisscom IT Services and Tessi Solutions, was not only based on finding the best fit and most flexible solution. It also offers security because both companies have the ability to provide the total solutions package on its own. Both are also well-established in the market and have the appropriate credentials. Additionally, Alpiq InTec will benefit from the combined strengths of the two companies.

“With the offers that were developed for us, we also had the assurance that we were establishing the right partnerships”, notes Heinz Rhyner, and he adds: *“That is an important factor in IT projects. It relates to both the solution as well as the provider. That’s proven itself.”*



THREE INPUT CHANNELS, ONE PROCESS

Swisscom and Tessi Solutions have worked well together from the start and coordinated their efforts with each other. Each focuses on its part while also ensuring that the interfaces run smoothly – even though our original inquiries were made with them separately. It became apparent in the course of the evaluation that this combination was the best solution.

Three input channels, one process

Electronic, PDF or paper: For all three input channels, invoices are transferred in compliance with legal requirements to the automated processing system (see diagram below). Employees receive an email notification when there is an email to be checked. By clicking on an embedded link, they access the invoice, which has already been validated, directly through the workflow tool. They can then complete the account assignment and either release the invoice or, if it requires the electronically stored internal approval process, forward it to the appropriate place. The next step is the automated transfer for payment to the ERP system, followed by transfer to the archive. Since the introduction of this system, only an electronic archive is still in use, which is an additional cost saving.

In summary: A successful introduction

In addition to the communication that accompanied each phase of the project, Alpiq InTec produced an employee video in which the CEO personally pointed out the advantages for the company and explained the details of the new invoice processing procedure in a simple, understandable training module.

Suppliers were also informed and can find detailed information about billing addresses and channels as well as reference information required on the invoice on the website at www.alpiq-intec.ch/einvoicing.

In 2013, around 380,000 supplier invoices were processed. Of those, 10 percent were processed electronically, 5 percent as PDF and 85 percent were paper. The goal: Paper-based invoices will make up less than 50 percent by 2016. •



"We wanted a unified invoice processing system with clearly defined goals throughout the entire Alpiq InTec Group. And that is what we have."

Summary by Heinz Rhyner, Head of Finance and Accounting for the Alpiq InTec Group

Alpiq InTec

The Alpiq InTec Group has around 4,600 employees and operates in the areas of building technology, facility management, energy supply technology and transport technology via more than 80 locations distributed throughout Switzerland. Around 1,200 employees have to examine and approve invoices.

www.alpiq-intec.ch

The “Alpiq InTec” project

The task

Electronic processing of 400,000 creditor invoices annually – from receipt to payment

Software

- Basware (invoice workflow)
- OPTIMAL SYSTEMS (archive system)

Three input channels

- Paper invoices at Tessi Solutions scanning center
- PDF invoices through the invoicing portal Billexco.com
- E-invoices through Swisscom trading platform Conextrade

Project length

8 months

Results

- ROI in less than 12 months
- Supplier invoices processed within 5 days
- Process is fully verifiable and documented
- Audit-proof archive with direct access from SAP at the document level
- Controlled, uniform invoice flow and release process
- Substantially lower processing costs and more efficient procedures

Client

Alpiq InTec Group

Keywords

400,000 incoming invoices

12,000 vendors

14 companies

80 branch locations

Sector

Energy service

Products and Services

Multi-channel invoice receiving

Accounts payable workflow

Archiving

Introduction

End of 2012



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