

Case Study:

# Ernst Sutter AG automates its invoice processing

To reduce the processing times for vendor invoices, relieve employees, management and accounting from paper-based processing, enable more cost transparency - these were the goals of the third-largest Swiss meat processor Ernst Sutter. Thanks to an integrated solution from Arcplace for the efficient electronic processing and legally compliant archiving of supplier invoices, which works hand in hand with the ERP system of Ernst Sutter AG, these goals were achieved in only four months.



## The third-largest meat processing company in Switzerland

Ernst Sutter AG is a leading Swiss company in the area of meat processing and meat production. Fresh meat and meat products are produced at five production sites and delivered to two specialist butchers, as well as the retail and wholesale trade throughout Switzerland via two regional delivery platforms. Various meat specialities are also exported to the EU and Asia. The company employs around 1,000 staff and generated sales of CHF 546 million in 2016. Ernst Sutter AG, which is now part of the Fenaco Group, launched the first meat quality and sustainability label in 1989 with 'Agri Natura'.

## Assignment, verification and signing off of 35,000 paper invoices per year

Ernst Sutter AG receives around 35,000 supplier invoices each year. A distinction is made between invoices that have a direct reference, a so-called order reference, to the ERP system - for example for goods orders - and those without such a reference at the time of ordering, such as invoices for building maintenance, transports or office materials. In the past, incoming invoices without an ERP reference were opened at the seven locations, sent to those responsible for the cost centre for account assignment and then to the supervisor to be signed off.

Once approved, invoices were forwarded to the accounting department for payment. In the case of goods invoices with a reference to the ERP system, the incoming goods were first entered in the system. The invoices were then forwarded to the accounts payable department, where they were compared with the incoming goods and, if they tallied, were released for payment. Invoices therefore took up to 14 days to process and especially the superiors complained about the mass of red tape. It was also difficult to track individual invoices within the company.

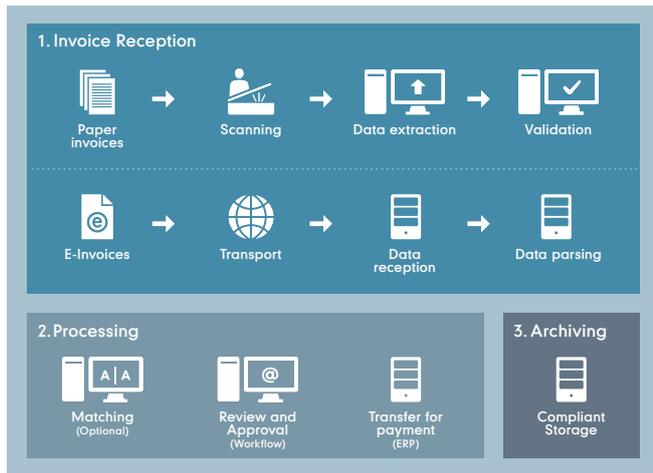
**“50 % of our supplier invoices are now processed within two days. In the past this could take anything up to two weeks.”**

Michael Strübi, Head of Controlling and Member of Executive Management, Ernst Sutter AG

## Digitally entering and processing vendor invoices

In order to tackle these problems, Ernst Sutter AG opted for an integrated solution from Arcplace, which enables the efficient electronic processing and legally compliant archiving of supplier invoices, fully integrated into the existing SAP ERP system. This is based on the software TCG DocProStar for scanning the paper and email invoices and on Basware Alusta (P2P) for implementing the digital invoice workflow. In the first step, the invoices are scanned using DocProStar and then transferred to Basware Alusta together with the extracted and validated data for the largely automated electronic account assignment, verification and approval processes. Invoices with an order reference are compared with the corresponding order system and, if the defined criteria are met, are automatically assigned and transferred to the financial accounting system for payment. Invoices that do not have any reference to the order

system run through an electronic verification and approval process according to the double verification principle. The items to be approved are automatically recorded and sent to the responsible persons by email. The invoices conveniently approved by mouse click are then transferred automatically to the financial accounting system. Finally, the scanned invoice, including the account history, account assignment and header data, is stored in the windream archive system in a legally compliant manner.



Solution overview

### The results

Michael Strübi, Head of Controlling and Member of Executive Management at Ernst Sutter, is very satisfied. "50 percent of our vendor invoices are now processed within two days. In the past this could take anything up to two weeks." The project manager lists other important improvements: "We are now able to allocate costs more precisely and benefit from greater cost transparency. I have also observed an increase in cost awareness because all invoices end up with the responsible parties who have to approve them. The largely automated processes and legally compliant digital archiving enable us to avoid incorrect filing and document losses." The project manager highlights the high acceptance of the system among employees and especially the management. "Supervisors used to spend hours checking paper invoices and looking for invoice information. Today, they receive one email per day, in which all open items are clearly listed and can be verified and approved with just a few mouse clicks." The project was implemented by Arcplace's specialists in just four months without interfering with ongoing accounting operations and works so well that it is to be implemented in other companies of the Fenaco Group in the coming months.

### At a Glance

- + Automatic end-to-end solution for electronic processing and legally compliant archiving of paper and email vendor invoices
- + Significantly greater process efficiency and far shorter throughput times
- + Improved allocation of costs and avoidance of input and filing errors or document losses
- + Increased cost transparency and improved document control
- + Increased cost awareness among employees through improved visibility of invoices

- + Reduced load on Accounting
- + Seamless integration into existing ERP and vendor systems

### Software used

- + TCG DocProStar (Scanning, data extraction and validation)
- + Basware Alusta (P2P) (Electronic account assignment, verification and approval processes)
- + windream Archive (legally compliant electronic archiving)

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