

CASE STUDY:

ABB

INVOICE AUTOMATION ADDS VALUE TO ABB'S ACCOUNTS PAYABLE

WITH MILLIONS OF INVOICES RECEIVED ANNUALLY IN COUNTRIES AROUND THE GLOBE, IT WAS INEFFICIENT FOR ABB TO CONTINUE RELYING ON MANUAL INVOICE PROCESSING METHODS. THE COMPANY TURNED TO BASWARE'S INVOICE AUTOMATION SOLUTION WITH THE GOALS OF INCREASING EFFICIENCY, ACHIEVING A HIGHER DEGREE OF VISIBILITY AND STANDARDIZING THE INVOICE HANDLING PROCESS.



ESTABLISH SHARED SERVICE CENTERS

As the global leader in power and automation technologies for utilities and industry, ABB receives and processes millions of invoices each year in countries all around the world. Trying to keep track of all these invoices and manage accounts payable (AP) processes was a very labor intensive and time-consuming process. With a vision to standardize processes and improve efficiencies, the company decided to establish country-based Shared Accounting Service Centers (SAS Centers), governed by the Shared Accounting Services Lead Center (SAS LC). At the same time, the company embarked on its journey to further automate AP operations.

In addition to AP, Accounts Receivable, General Accounting and Fixed Assets operations were implemented in SAS Centers in several countries around the globe. Currently, SAS Centers are operational in 34 countries. Determined to achieve more effective invoice processing, ABB conducted a thorough evaluation of automated invoice processing solutions, and with input from several ABB locations worldwide, selected Basware's invoice automation solution as a preferred solution.

"WE WERE ALREADY USING BASWARE IN A FEW COUNTRIES, AND THE SOLUTION HAD A SOLID TRACK RECORD OF RESULTS,"

says Pether Jonsson, Group Vice President.

CUSTOMER:

ABB

INDUSTRY:

Manufacturing

LOCATION:

Global

BASWARE SOLUTIONS:

Basware e-Invoice Receiving

basware

Simplify Operations, Spend Smarter.



GLOBAL SUPPORT

"We were particularly impressed with Basware's ability to connect to multiple ERPs. Additionally, the solution's multi-language and multi-currency capabilities, along with Basware's global operations, were essential to support our global organization."



In ABB Switzerland, for example, prior to implementing Basware, 380,000 invoices each year were primarily processed manually. Typically, invoices were manually entered into the purchase invoice ledger, and routed internally to the appropriate recipient. They were then checked and approved, forwarded to the Accounts Payable department in the internal mail, processed, verified, and manually booked and archived. To make these processes simpler, faster and more efficient, the company decided to centralize the accounting processes of all of its 14 Swiss business units into one Shared Accounting Service Center and implement Basware's

"OUR FOCUS IS TO FURTHER STANDARDIZE AP OPERATIONS AND ACHIEVE EVEN HIGHER LEVELS OF AUTOMATION. WE ARE CONTINUOUSLY WORKING WITH BASWARE TO IMPLEMENT INVOICE AUTOMATION BEST PRACTICES SO WE CAN MAXIMIZE PROCESSING EFFICIENCIES AND GAIN THE STRONGEST BUSINESS BENEFITS."

says Pether Jonsson, Group Vice President.

invoice automation solution. Basware and ABB Switzerland jointly designed the system architecture based on ABB's processes and requirements,

with input from Basware regarding best practices. Basware configured the system to interface with the company's SAP systems. The Basware solution is being used by 4,000 users in Switzerland, alone.

"We were able to roll out the project in keeping with the intended schedule and budget constraints, and our collaboration with the Basware consultants has worked well. We still have the same point of contact today, and such continuity cannot always be taken for granted. Our Basware contact always goes out of his way to involve us, and the customer service is extremely well organized," says Klaus Martin, Accounts Payable Manager and Basware Project Manager at ABB Switzerland.

PROCESSING TIME CUT IN HALF

Today, the Basware solution is used to scan in purchase invoices, validate the scanned data, and incorporate the invoices into Basware's invoice automation system in one single step –

cutting the initial processing time in half. After the invoices are scanned into the system, they are automatically sent for review and approval and then transferred to the ERP system for payment. The Basware solution enables ABB Switzerland to adopt end-to-end electronic processes, as well as ensures efficiency and reliability.

“Using Basware, the time spent on the initial processing of all purchase invoices has been more than halved. As the invoice data is captured electronically, the time and effort required is reduced, as are the sources of potential errors. And thanks to the extensive reporting options, all the invoice-related data is always on hand and expenditures can be analyzed in detail,” adds Martin.

GLOBAL PRODUCTIVITY GAINS, PROCESS IMPROVEMENTS



The flexibility of Basware's invoice

automation system and its ability to adapt to local variations of ABB's standard accounts payable process, enabled ABB to implement the solution in 18 countries so far – including Switzerland, Russia, China and Japan – with more coming on board over the next couple of years.

“The increased visibility and efficiency that invoice automation provides has made it an attractive solution not only for countries with high labor costs, but also for those where labor costs are low, such as China and Egypt,” says Jonsson.

Basware has been working closely with ABB to identify and implement best practices for its AP operations. By implementing these best practices, and using the invoice automation solution to process millions of invoices annually, ABB has gained significant benefits and productivity gains.

With the invoice automation solution, ABB has been able to match invoices with purchase orders (POs), and some countries are already achieving 60% fully automatic, straight-through processing. ABB has gained significant productivity increases in processing invoices, and has been able to accommodate higher invoice volumes each year since the solution was implemented.

The company also uses Basware's invoice automation solution to support business decisions, such as supplier relationships. ABB can now more easily than before analyze its supplier base, among

other key areas, to determine which suppliers it should focus on converting to e-invoicing.

CONTINUED PROCESS IMPROVEMENTS LIE AHEAD

Pether Jonsson and his team are looking for ways to continually innovate and improve AP processes.



ABOUT: ABB

ABB is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 117,000 people.

www.abb.com

ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

WWW.BASWARE.COM

