

Case Study

McDonald's

Germany

Read how McDonald's is successfully connecting its suppliers to Basware PDF e-Invoice.



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Basware PDF e-Invoice helps us save time and money when processing invoices, I would choose Basware again."

Daniel Voigt, Senior Manager of Process Management for McDonald's Deutschland

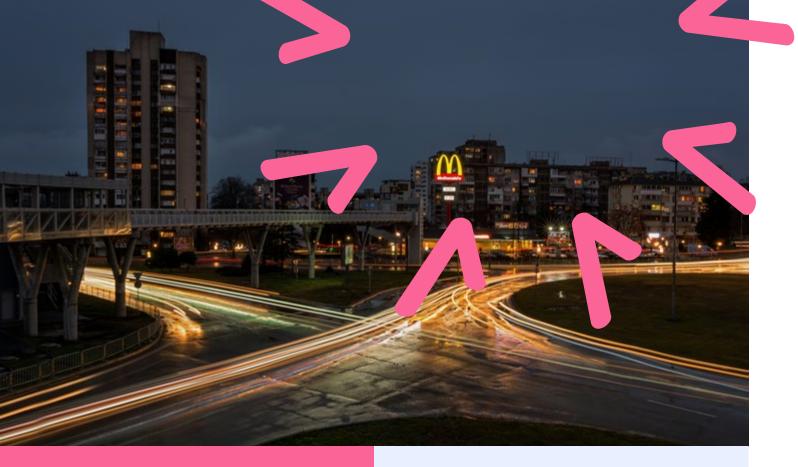
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This software has surpassed our expectations."

Daniel Voigt, Senior Manager of Process Management for McDonald's Deutschland The brothers behind the name, Richard and Maurice McDonald, served their first freshly made burgers in the Californian city of San Bernardino in 1940. Since then, their former family business has developed into a global restaurant chain.

In 2015, the company had 1,478 branches in Germany alone, with a total of approximately 58,000 employees catering to their guests' needs. McDonald's owes its success to its strict quality standards, which the company not only places on itself but also on its 30,000 suppliers and service providers in Germany. The company faces a logistical challenge as its accounting department deals with hundreds of thousands of paper invoices annually. Just at the German headquarters in Munich, around 270,000 invoices need processing each vear. McDonald's has addressed this enormous task with the assistance of Basware software, enabling substantial optimization of their invoice processing procedures.

Complex Supply Chain

McDonald's runs roughly 13% of its German branches itself, while the others are managed by independent entrepreneurs. The burger giant contracts an impressive 30,000 suppliers, including countless small businesses and microenterprises, such as gardening firms and manufacturers of kitchen utensils. Around 85% of the total invoice volume at McDonald's Deutschland is received from approximately 120 companies. These companies, selectively chosen to deliver the highest quality with the greatest possible efficiency, form the backbone of the complex McDonald's supply chain.

The Solution

"We were impressed by Basware's pricing and market presence," recalls Daniel Voigt, Senior Manager of Process Management for McDonald's Deutschland, who is in charge of electronic invoice processing.

After being contracted by McDonald's, it took Basware only a few months to fully migrate the company's largest suppliers to the service. Since then, the Accounts Payable department at McDonald's has been able to fully automatically process structured invoice data, enabling invoices to be sent to the appropriate cost center managers for approval without requiring manual intervention.

While this was great progress, smaller suppliers continued to send paper invoices as they rarely meet the technical requirements to send electronic invoices. This left manual work for the employees in the Accounts Payable department to open, sort, scan and code all incoming paper invoices before forwarding them to the relevant cost centers for approval. "As you can imagine, this situation was far from ideal in terms of adding value to the company," Daniel Voigt recalls.

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Connecting All Suppliers via the Basware PDF e-Invoice Solution

In 2011, the German parliament passed the "Tax Simplification Law" (Steuervereinfachungsgesetz), allowing companies to use email to send invoices in PDF format, a significant step away from paperbased transactions. However, a challenge persisted. Despite this legislation, invoice recipients, including companies like McDonald's, still faced the laborintensive task of manually transferring data from PDF invoices into their accounting systems.

To address this issue, McDonald's turned to Basware PDF e-Invoice. Here's how it works: Suppliers establish accounts on the Basware Network and send their PDF invoices to the network rather than directly to McDonald's. Basware's system goes beyond merely capturing header and footer data; it meticulously extracts details from each line item and verifies VAT compliance against German VAT law (Umsatzsteuergesetz).

The significance lies in the Accounts Payable department's ability at McDonald's to work with structured data, automating the processing of invoices. To aid user comprehension, Basware also provides the corresponding PDF image alongside the data. This approach ensures that automated data transfer is error-free and significantly reduces the time required to process each invoice.



- Pilot projects with suppliers have shown remarkable results:
 - Invoices now take just seven days to process upon receipt, down from the previous 20-day processing time.
 - This enables McDonald's to capitalize more frequently on early payment discounts.
- Daniel Voigt, expressing his satisfaction, states, "This software has exceeded our expectations."
- McDonald's aims to achieve at least 90% electronic processing of their total incoming invoice volume by year-end using Basware PDF e-Invoice.
- Future plans include extending the system to McDonald's franchisees to benefit both suppliers and franchise partners.

ABOUT BASWARE Basware is how finance leaders in global enterprises can finally automate their complex, labor-intensive invoice processes and stay compliant with regulatory change. Our AP automation and invoicing platform helps you achieve a new level of efficiency – in a matter of months – while reducing errors and risks. We bring a unique combination of true automation, complete coverage, and deeper expertise to make it all just happen for our customers. That's why the world's most efficient AP departments rely on Basware to handle millions of invoices per year. **Basware. Now it all just happens.** ©Basware 2023

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Take-outs



