

How does Pilatus Werke handle double the amount of invoices with half the time and resources?



Pilatus Flugzeugwerke AG, founded in 1939, is the only Swiss company that develops, builds and sells aircraft on all continents. Headquartered in Stans, the company is ISO 14001 certified and demonstrates a high level of environmental awareness. Two independent subsidiaries in Broomfield (Colorado, USA) and Adelaide (Australia) belong to the Pilatus Group. With over 2,000 employees at its headquarters, Pilatus is one of the largest employers in central Switzerland.

Field of activity

Aircraft construction

Key figures

Volume of invoices processed (per year):

35 000 in 2006

VS

75 000 in 2020

FTE Accounts payable:

5 in 2006 **VS 2** in 2020

Invoices booking

through rate

(with order reference) :

85 %

The context

Previously, Pilatus itself was scanning around 30,000 incoming paper invoices per year, reading them using OCR software, processing them, and transferring them to SAP. This entailed high administrative costs for creating and sending or receiving invoices, transferring data to the IT systems, validating invoices, filing and archiving as well as con-

-siderable accompanying expenditure on staff, infrastructure, and operations. Also, there were long delivery times by post, poor planning, discounts could often not be claimed, and occasionally reminders even had to be sent. On top of this, access was only possible at one location. All this prompted Pilatus to look for an efficient and cost-effective solution.

• The challenge

Pilatus pursued the goal of processing incoming and outgoing invoices as digitally as possible, with the integration with SAP being a key requirement. Three solutions were implemented:

- Paper invoices
- EDI (Electronic Data Interchange), which is relatively complex to implement and is primarily suitable for larger companies.
- Last but not least, PDF invoices, which are received in a very straightforward and transparent manner via the internet portal www.Billexco.com.

In addition, expense reporting was a tedious task for most employees. Collecting receipts, recording expenses, converting currencies, and feeding everything into the approval process was often laborious and tiresome. Sometimes, there was a considerable waiting time to be reimbursed for the money. As a globally active company, Pilatus is strongly affected by this: every year, around 3,500 expense reports and 12,000 paper receipts represented an obvious challenge for employees and the administration department, which requires an intelligent solution.

• The solution

Invoice processing

Since 2011, Pilatus's internal invoice processing has been completely digital: Incoming paper invoices are scanned by Tessi in Urdorf, Switzerland, digitally signed and made available on a server, and then further processed by Pilatus. Importantly, the invoicing party's data is stored in a database for OCR processing, which ensures very high recognition rates.



“We can now process twice as many invoices in half the time.”
Peter Stutz, Senior Accountant for Pilatus Flugzeugwerke AG

This process enabled a significant increase in cost savings. About 80% of all invoices are now processed fully automatically. Despite a large increase in the number of documents, only two people are required to undertake the invoice processing now instead of the previous five. There are also beneficial time savings: In the case of invoices from the USA alone, one to two weeks' transit time is saved, which enables cash discounts to be exploited and further savings to be made.

In 2016, a further automation step was added together with Swisscom. The digitised paper invoices as well as the submitted PDF invoices pass through OCR methods and are validated and indexed at an item data level using the document header. This further increases accuracy and requires minimal work. The metadata and PDF files are then transferred to Pilatus's SAP system via Conextrade making the end to end process even more efficient..

Expense report

Since 2015, Pilatus has been using a sophisticated solution: Expense reports are processed via SAP. At the end of the trip, the employee enters his or her data and receipts using an intranet application, with plausibility checks minimising the error rate. He/she then only has to print a cover sheet with a barcode and submit it together with the relevant paper receipts. Once a day, the collected documents are sent by A Mail to Tessi Solutions in Urdorf, Switzerland. These are scanned on the day of receipt and made available on a server as signed PDF documents. Pilatus employees can then continue processing the expenses, check and approve the travellers' details and transfer the funds for reimbursement.

The process allows for the conversion of foreign exchange rates to the exact day and is so efficient that there is minimal waiting time for reimbursement. Often the money even arrives before the credit card is charged to the bank account much to the delight of the employees.

Peter Stutz recognises the high quality of the document scanning by Tessi Solutions: particularly with special formats, such as

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We greatly value the cooperation with Tessi Solutions. In addition to quality and reliability - "There are practically never any support cases" - we see above all the modularity of the offer as a key benefit. "Tessi Solutions provides us with exactly those services and components that we cannot or do not want to create ourselves."

Peter Stutz, Senior Accountant for Pilatus Flugzeugwerke AG

sales slips. This optimal scan result greatly facilitates control and further processing. All work steps can be traced at any time, which is particularly relevant for the approval of expenses by project and line managers. As the scanned receipts are digitally signed by Tessi Solutions, the entire process is VAT-compliant and audit-proof.

- **The benefits**

- ✦ Cost and personnel savings for invoice dispatch, receipt and administration
- ✦ Minimal accrual expense in the monthly financial statements
- ✦ Shorter lead times, better predictability and profit by claiming cash discounts
- ✦ Access from multiple locations
- ✦ VAT-compliance ensured, no more filing required

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