

# How Bachem saves costs and resources with the introduction of a fully digital invoicing process



### Field of activity

Pharmaceutical & biotech industry

### Key figures

Invoice volume 2020  
**26,000**

Paper invoices reduced  
**from 60% to 5%**

**89%** of all invoices include an order reference

**Stable number of FTE** for creditors despite significantly more invoices

Bachem is an independent, innovation-driven listed company that provides comprehensive services to the pharmaceutical and biotech industry. Bachem specialises in process design and the production of peptides and oligonucleotides as active pharmaceutical ingredients (APIs) as well as innovative biochemicals for research purposes.

With headquarters in Bubendorf, Switzerland, and subsidiaries in Europe, the US and Asia, Bachem operates worldwide and is the partner of choice for global biotech and pharmaceutical industries.

## Review

Before implementing the solution provided by Tessi, paper invoices were received, scanned and read in-house with OCR software. Unfortunately, the OCR software exhibited a very low recognition rate, which made the effort extremely time-consuming and cost-intensive. To obtain an adequate recognition rate, Bachem would have had to invest a an expensive five-figure amount, which is why the company decided to look for an external solution.

## • The challenge

One of the main drivers behind the decision was the high intensity of work needed to read the invoices using the OCR software. The company aimed to implement a fully digital accounts payable process. The biggest challenge was to ensure that suppliers sent invoices only in .pdf format to a predefined email address. Before Bachem started working with Tessi, 60-70% of its invoices were printed on paper. Now this share fell below 10%.

## • The solution

Supplier invoices are collected by a Tessi processing centre from an email pigeon hole via Bachem's web service using a secure connection. Subsequently, all mandatory fields are automatically verified based on the defined rules.

If the rules are not fulfilled, these invoices are routed by the exception handling process to a platform and documented. The data of the VAT fields as well as the information for matching the order number are extracted and validated with OCR and manual readjustment. Validation is conducted against the vendor master data of Bachem. In addition, the invoice is checked to ensure VAT conformity and various data is read to secure the import into Bachem's ERP. The read data is generated in .xml format and the invoice visualisation in .pdf format on an sFTP server and is then retrieved by Bachem. When importing documents into Bachem's electronic archive, a distinction is made between invoices with PO and without PO. After processing, the invoices with a PO are routed into the invoice processing inbox included in Bachem's ERP and the invoices without a PO are routed into the accounts payable work flow. Finally, the documents are archived in Bachem's electronic archive and are accessible by a link.

## • What happens next?

In the future, Bachem wishes to reconcile the bank data and the VAT numbers on the invoices with SAP to push automation one step further.

## The advantages of a partnership with Tessi according to Bachem

- ✓ Up-to-date processing
- ✓ High quality of the read data
- ✓ Excellent and fast support in case of questions or concerns
- ✓ XChange platform as central contact point if invoices need readjustment
- ✓ The project was implemented smoothly and easily
- ✓ The external processing provided by Tessi allowed us to keep the number of employees working on accounts payable constant despite a significant increase in accounts payable invoices.

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## Interested?

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