



Pilatus Aircraft Ltd relies consistently on digital processes

A Case Study

Pilatus Aircraft Ltd in Stans (Canton Nidwalden) is considered to be an icon of the Swiss economy. Its training aircraft are appreciated around the world and the brand-new PC-24 business jet found many buyers even before its maiden flight. This is impressive proof of the trust customers have in the quality of the company's products. Less well known is the fact that Pilatus ensures the highest level of efficiency and quality during its internal administration processes by using innovative solutions.

Invoice processing

Pilatus receives about 55,000 invoices from suppliers every year and issues nearly 28,000 of its own invoices to customers. The processing of conventional paper invoices, however, is cumbersome for various reasons:

- High administration costs for the creation and mailing or receipt of invoices, internal administration costs, data entry into the IT systems, archiving etc., and the considerable associated costs for staff, infrastructure and operations.
- Long runtimes for mailing, poor predictability, discounts can often not be claimed, and sometimes even reminders are sent out.
- Access only possible from one place, laborious creation of copies.

Pilatus has therefore been pursuing the goal of processing incoming and outgoing invoices digitally for some time. SAP integration is a key requirement here. Three solutions are currently being used:

- Paper invoices continue to play a key role (more than 50% of the incoming and nearly 40% of the outgoing invoices in 2014). Paper invoices are increasingly being replaced by electronic invoices.
- EDI (electronic data interchange), which is relatively complex to implement and primarily suitable for larger companies. However, it offers a very efficient solution, which is tried and tested with well-structured, recurring orders in established customer or supplier relationships in particular.

Pilatus Group

Founded in 1939, Pilatus Aircraft Ltd is the only Swiss company to develop, produce and sell aircraft to customers around the world: from the legendary Pilatus Porter PC-6 to the best-selling PC-12, a single-engine turbo-prop, and the PC-21, the training system of the future. Pilatus is currently developing the PC-24 – the world's first ever business jet for use on short unprepared runways.

Domiciled in Stans, the company is certified to ISO 14001 in recognition of its efforts for the environment. The Pilatus Group includes two independent subsidiaries in Broomfield (Colorado, USA) and Adelaide (Australia) as well as a joint venture company in Chongqing (China). With over 1800 employees at its headquarters, Pilatus is one of the largest employers in Central Switzerland. Pilatus provides training for over 100 apprentices in eleven different professions – job training for young people has always been a very high priority at Pilatus.

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- Last but not least, PDF invoices, which can be received in a very simple and clear manner via the www.Billexco.com Internet portal. This process does not require either a special infrastructure or complex installations or adjustments of hardware and software, processes etc. A computer with an Internet connection and software to create PDF documents is sufficient. The PDF invoice exchange is equally suitable for smaller and larger volumes of invoices.

Pilatus aims to encourage its business partners to use electronic invoice formats such as PDF or EDI in order to take full advantage of the considerable benefits.

Within Pilatus, invoice processing is already entirely digital: incoming paper invoices are scanned by Tessi Solutions in Urdorf, Canton Zurich, and signed digitally, made available on a server, and processed further by Pilatus. It is important that the data of the billing party are saved in a database for OCR processing, which ensures very high recognition rates.

This process has significantly increased profitability. About 60% of all invoices are currently



processed fully automatically. Instead of occupying five persons in the past, only two are now needed for invoice processing, despite the significantly higher number of documents. The time gain is also a benefit: for invoices from the USA, a run-time of one to two weeks is saved, which allows discounts to be claimed, and noteworthy savings to be made.

The digital signature of the PDF files is of key significance within the optimised process. It ensures VAT compliance, and paper invoices do not need to be processed or archived but are securely destroyed by Tessi Solutions.

What is more, outgoing orders are signed digitally, as are incoming bank documents. All this guarantees the traceability of all key steps and their legal correctness. Peter Stutz, Senior Accountant, played a central role in developing the processes and IT solutions at Pilatus, and always focused on the benefit for the company. During projects, Pilatus generally focuses on the technical perspective, and appropriate solutions are then developed by IT.

Pilatus did not allow setbacks to get in the way of its objective either. After an initial attempt at full digitalisation of internal invoices was disallowed by the Swiss Federal Tax Administration, Pilatus found a competent and reliable partner in Tessi Solutions in 2010, ensuring VAT compliance using digital signatures.

Expenses claims

A bothersome task for most employees is claiming expenses. Collecting receipts, entering expenses, converting currencies and feeding everything into the approvals process is often laborious and irritating. Added to this is the waiting time for the refund of the money spent, which often involves considerable sums. As a globally active company, Pilatus is greatly affected by this: about 3,500 expenses claims and 12,000 paper receipts annually are a clear challenge for employees and the administration, and this requires a smart solution.

Pilatus uses a clever system: expenses claims are processed via SAP. On completing a journey, the employee enters his or her data and receipts using an Intranet application, while plausibility checks minimise the error rate. She then merely needs to print off a cover sheet with a barcode and submit it along with the associated paper receipts.



Peter Stutz, Senior Account at Pilatus Aircraft Ltd, appreciates the collaboration with Tessi Solutions hugely. In addition to quality and reliability – *“there are virtually no support cases”* – he sees the modular nature of this service as its key benefit above all. *“Tessi Solutions provides us with precisely the services and components that we cannot or do not want to create ourselves,”* he explains.

Once a day, the collected documents are sent to Tessi Solutions in Urdorf by A Mail, scanned on the day of receipt, and made available on a server as signed PDF documents. Pilatus employees can continue processing the expenses, check the details of those travelling, and authorise the transfer of the money spent. The process allows date-specific conversion of foreign currencies and is so efficient that only minimal waiting times are incurred for the refund. The money is often even received before the credit card is debited from the bank account, much to the joy of the employees.

Peter Stutz appreciates the high quality of the documents scanned by Tessi Solutions: in particular when they involve special formats, such as cash receipts, an optimal scan result greatly facilitates the checking and further processing. All working steps are clear at all times, which is

particularly relevant for the approval of expenses by project and line managers. As the scanned documents are digitally signed by Tessi Solutions, the entire process is VAT compliant and audit safe.

At Pilatus, nobody wants to do without this solution. Previous solutions using Excel tables were very unpopular and also very much prone to errors.

Solutions that are unusual from the perspective of Tessi Solutions are also possible: the fact that Pilatus uses scanning and digital scanning, but carries out the OCR itself using existing infrastructure, has never been requested before, but was nevertheless easy to implement, explains Jean-Claude Ruppen, Marketing Director at Tessi Solutions.

The extremely pragmatic and solution-driven way of working at Pilatus stands out. The best possible solution for the company is always the focus, not the technology. Something that proves its worth is retained and also transferred to other problems. If something fails to fulfil the requirements, a satisfactory solution is sought together with partners. •



Client

Pilatus Aircraft Ltd

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Introduction

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The Swiss branch of the French company, Tessi S. A. was established following the acquisition of RR Donnelley Switzerland.