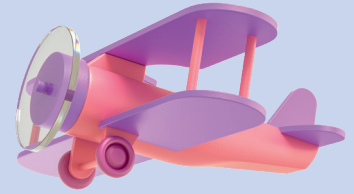# A well-organized invoice system improves efficiency and standardizes processes across Saab

Saab

SAAB

With many different businesses, working methods, and systems, processing purchase invoices within Saab had become far too time-consuming, with a significant increase in the risk of errors. The solution, an invoice matching function from Unit4, resulted in considerable time savings and a more streamlined, organized process throughout the organization.

The project, run jointly by Saab and Unit4, was the starting point for enabling the whole group to work more closely together. A large proportion of invoices can now be processed automatically rather than manually. Errors have been reduced to a minimum, for example, at the interfaces between systems. The implementation ran smoothly and all parties involved played active roles in the project. In addition, the project has seen significant time savings equivalent to seven full time employees (FTEs), enabling them to focus on more value-added tasks.

Invoice processing: time-consuming and error-prone

Saab consists of many different businesses. Alongside Saab AB, for example, there is Kockums, Combitech, and Dynamics. The group has grown primarily through acquisitions and now has a presence in more than 30 countries.

As a result, many different systems and processes were being used for managing purchases and invoices. Because they were not coordinated effectively, invoice processing had become inefficient and resource intensive. In 2019 alone, 350,000 invoices were processed manually.

At the start of the project, half of all invoices were in EDI format. The other half had to be scanned. The whole process was incredibly time-consuming, from booking incoming invoices to identifying them so they could be processed correctly. In addition, invoices lacked common reference data and were processed differently for the different business units. There was no standardized process for purchase orders, receipts for incoming goods, or invoices.

Industry
Manufacturing and consultancy, primarily defense

Location
Headquarters: Stockholm, Sweden

Size
More than 17,500 employees, located in more than 34 countries

Product
Unit4 Enterprise Resource Planning (ERP)

Challenge

A large number of ad hoc purchasing systems, many different processes, and manual methods made processing purchase invoices time consuming and error-prone.

Key metrics

100%
Automatic registering of incoming invoices

27%
Automatic matching of purchase invoices after six months

In partnership with:

SAAB

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> ## "The people who tried in the past to introduce a function like this across the group said that it was impossible to bring in a standardized solution. But we have done the impossible."

Malin Klaar
Head Accounts Payable, Accounts Receivable, and Cash Departments, Saab

Results exceed expectations

Accounts Payable, the department responsible for processing invoices, took the initiative in 2020 to solve the problem, with the help of a preliminary study carried out the previous year. After this, everything moved very quickly. By the end of June 2020, a project plan was drawn up, with help from the Unit4 team, and within two months the project began. A year later, the flow had been integrated into the invoice-matching function in Unit4 ERP (formerly Agresso) to allow for standardized processing of purchase invoices.

"The people who tried in the past to introduce a function like this across the group said that it was impossible to bring in a standardized solution. But we have done the impossible," explained Malin Klaar, project owner and head of the accounts payable, accounts receivable, and cash departments. Malin highlights the main success factors as being efficient project management, knowledgeable employees, experienced application consultants and internal system administrators, and close cooperation with Unit4 and other internal stakeholders.

Integration made the solution possible

It was essential to introduce a group-wide system solution. This meant having different project teams working on different challenges. For example, when the project team tasked with introducing the invoice solution was established, the accounts payable team had already begun to standardize the purchase

invoice process within Saab. Another important aspect of the work was to investigate all the integration solutions needed to identify and resolve recurring purchase invoice errors.

"The close cooperation between all the stakeholders helped put the project on a firm footing and made it a top priority. It was then implemented by a highly competent project team," explained Malin. The four systems judged to be the simplest were integrated first, before work began on the two most challenging systems.

One beneficial side effect was the discovery that Saab's telecoms service provider was sending 60,000 invoices every year. Although this was identified by a different project team, it helped the invoice project. The number of invoices from the

telecoms provider was subsequently reduced to four — and as a result the total number of invoices processed every year fell to 290,000. Around half of these are purchase invoices. Now, all incoming supplier invoices are booked automatically instead of manually. Eighteen manual checks have been replaced with an automated process, leading to a significant increase in efficiency.

One issue that challenges most companies is invoices without purchase order details. To overcome this, Saab now has a standardized reference for invoices without purchase orders, allowing them to be automatically identified for further processing. Malin Klaar describes an example of how problems can arise in a large organization: "There are probably about 13 people in Saab

called Anders Svensson. Previously, we had to contact each one individually to find out which of them should authorize an invoice." Now, not only is there an automated system for booking incoming invoices and matching invoices, purchase orders and goods receipts, but also automatic distribution of invoices without purchase orders.

Next steps: detail matching

The work on invoice processing at Saab is far from over. The next major challenge in the automation process is to identify the line item numbers stated on a purchase order with the corresponding invoice so that each line item can be matched. To enable this, Saab will need to send electronic purchase orders from its purchasing system. Following the first level of automation, which is now complete, Unit4 ERP is ready for this.

Time and cost savings are far from being the only benefits

of the project. Another important advantage is that both the finance staff and employees in individual businesses now have extra time to carry out more skilled tasks. Instead of manually checking, matching, and distributing invoices, they can carry out analyses and quality assurance measures, including fine tuning the process. The work on standardizing and ensuring the quality of processes for the different companies in the group is continuing in a new direction.

Malin summarizes the importance of the project for Saab as a whole: "We are working together to move away from the old mindsets and processes and focus on the future. Everyone is on board and is taking a positive approach to the changes. Now we can start to introduce more automated solutions for the entire group."

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