

# SupplyOn's integrated Purchase-to-Pay process solution enables high invoice auto-booking rates for Airbus

// Fully electronic processing of all steps from order through to invoice results in highly efficient processes for direct materials, a high level of transparency and a 90 % auto-booking rate for invoices.

## The challenge: e-invoicing deployment

E-invoicing is on an upwards trend, but for some OEMs, like Airbus, the digitalising of the invoicing process began as early as 2002. First of all, incoming paper invoices were scanned, then classic EDI connections were added for invoicing by major suppliers.

However, as the total number of invoices was increasing, the number of paper invoices increased, too. The e-invoicing solution was particularly used by key suppliers, resulting in some 60 percent of all invoices being received electronically. Yet the solution's deployment rate to medium and small-sized suppliers remained a challenge.

## The solution: an integrated Purchase-to-Pay process

To increase efficiencies as well as automatic booking rates, a corporate initiative formed to ensure invoice data matched the corresponding purchase orders.

A multi-functional team was assembled at Airbus from the Finance, Procurement and IT functions in 2015 with the aim of implementing an improved, integrated and digital end-to-end Purchase-to-Pay (P2P) process for direct material.

The multi-functional project team first worked on establishing the necessary process improvements. After an intensive proof-of-concept phase, Airbus made the decision in 2017 to use AirSupply by SupplyOn for direct material invoices. The solution had already been in use at Airbus for orders and core supply chain processes relating to direct material. Within the project, the existing AirSupply implementation was then extended to include a fully integrated P2P process.

The new P2P solution generates the invoice directly from the purchase order (so-called PO flip). Most of the fields are already pre-filled for the supplier—the latter only has to add details such as invoice number, delivery quantities and date. Further verification rules have also been implemented to ensure the invoice meets the requirements of Airbus and the respective country-specific taxation rules.

As the solution supports multiple invoicing channels, validations are performed regardless of how the supplier sends the invoice. Successful validation by SupplyOn ensures that suppliers are paid on time. Moreover, suppliers gain almost real-time visibility on the invoice status.

Within the first year and a half, 1,800 suppliers were connected to the new solution and more than 2.1 million invoices were booked. There has been a significant increase in automated invoice booking and timely payment. The feedback from the Airbus Purchasing and Accounting departments has been highly positive, and the same is true for suppliers.



## Benefits

- **Efficient processes:** The entire process from purchase order to invoice is handled completely digitally in an integrated solution which seamlessly generates the invoice from the purchase order and validates it based on various verification rules.
- **Reduced workload:** The high data quality of the integrated Purchase-to-Pay process significantly reduces the proportion of invoice disputes. This relieves both Purchasing and Accounting as well as suppliers by eliminating the need for follow-up and investigation.
- **Very high auto-booking rate:** Most invoice data fields are pre-filled and validation supports multiple invoicing channels—resulting in an auto-booking rate of over 90 percent.
- **On-time payment:** The largely automatic invoice booking system enables Airbus to secure on-time payment. Together with the user-friendly interface of a common solution for orders and invoices, this is the main reason for the high level of acceptance among suppliers.
- **End-to-end transparency:** The invoice status is visible to both Airbus and its suppliers at all times and virtually in real-time. In addition, suppliers know when they are paid.

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