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Seven Insider's Tips

Selecting an SAP Workflow Solution
for Invoice Processing

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Hindsight is 20/20

The scenario: You have deployed SAP ERP and you use it to manage accounts payable. You may already have digitized some invoice processing steps, such as archiving documents. You have realized, however, that the process could be optimized further, which is why you want to introduce a workflow-based invoice-processing solution.

Your requirements and objectives are clear: You wish to automate, simplify, and speed up processes. You want to reduce the number of manual tasks involved and cut down on paper. You would like to eliminate the need for queries and revisions. You want to maintain a complete overview of the process and to be able to evaluate it. And ultimately, your aim is to achieve savings in time, costs and labor.

The challenge: Now you need to decide what factors to consider when picking a solution. What are the deal-breakers? And what are the apparently small details which, if you neglect now, might cause you to look back a few years down the line and say to yourself ruefully, "Hindsight is 20/20."

The solution: Our aim in this white paper is to give some practical tips on what to bear in mind when choosing a workflow solution for processing incoming invoices in SAP. Having brought more than 600 customer projects in this field to successful completion, we want to share with you what we have learned. What are the hidden dangers? What crucial factors tend to be overlooked? And what are the most revealing questions you can ask to help you come to an informed decision?

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Our seven tips

When choosing an invoice-processing solution for SAP, it is not enough to simply compare the features of various products. In the following, we will present the other factors you need to consider. Why are these factors so critical? And when exactly should you ask for more information?

01. SAP integration

When choosing an automated solution for processing incoming invoices, you have two options: a solution that is integrated with the ERP system or a nonintegrated solution. A nonintegrated solution has a few advantages; for example, it offers greater flexibility in terms of design and user experience. We recommend choosing an integrated solution, however, as it provides many more benefits.

If your invoice-processing solution is not integrated, you will not always be able to work with up-to-date master data. You will have one data pool in SAP and another data pool in your invoice-processing solution, and these will have to be synchronized on a regular basis. Even if synchronization is performed regularly, you may find that the data in the two systems is not always entirely consistent, which could lead to validation errors. Imagine that an invoice arrives from a new supplier. Let's say that this supplier has already been created as a vendor in the ERP system, but ERP has not yet been synchronized with the nonintegrated workflow solution. In this scenario, it will not be possible to process the invoice until synchronization has been performed. With an SAP-integrated solution, a problem like this will not arise.

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Another drawback of nonintegrated solutions is that they tend not to have access to all the information in the SAP system. This means, for example, that a user who is in the process of verifying an invoice will not be able to check right away whether the goods receipt has already been posted in SAP. Furthermore, users must work in the invoice-processing solution and the SAP system simultaneously or else keep jumping back and forth between the two systems.

One major advantage of the SAP-integrated solution is that it can automatically transfer authorizations from the SAP system. This means that you do not have to keep updating the settings and changes in both systems and checking that everything tallies.

Users find it easier to get to grips with a new solution for processing incoming invoices if it is integrated with SAP, as they will probably have been working with the SAP system on a daily basis and will be used to its structure, and familiar with its look and feel. If the solution has a separate log-in and is very different to navigate, users will see it as a completely new tool. A solution that is seamlessly integrated with the existing system and simply expands its range of functions will be more readily accepted by users, as they will find it much easier to get used to.

An SAP-integrated solution also offers advantages in terms of transparency and reporting. The sooner the system digitizes and recognizes invoice content, the sooner it can display and analyze the invoice status. This will provide you with a better overview of the process.

One more tip: In most SAP-integrated solutions, the workflow steps take place in SAP, but the read document data is validated prior to that. It is therefore a good idea to ask whether validation is integrated with SAP.

SAP® Certified
Powered by SAP NetWeaver®

02. SAP certification

Many software manufacturers like to boast that their solutions are SAP-certified. We'd like to share a little secret with you, though: once a solution does what it claims to do in technical terms, securing certification is not all that difficult. Sure, the process can be quite long and bureaucratic for manufacturers. But in our experience, if you have software that functions well and you are prepared to invest the time, money, and effort, securing certification is really not such a big deal.

Nevertheless, we believe that SAP certification does matter and that you should check whether the solution you are interested in has it. Only software manufacturers whose SAP solutions form part of their core business are likely to go through the rigmarole of securing certification. If a provider only has a handful of customers who use the solution, or if SAP is not the provider's main focus, it will probably spare itself the time and money that SAP certification requires.

One more tip: There is no one single form of SAP certification. Make sure to ask what exactly the solution is certified for. Is it certified for the classic ERP system ("Powered by SAP NetWeaver" certification) or for S/4HANA ("Integration with SAP S/4HANA" certification)? A solution that is certified for both will see you into the future. Also, you should check which components are certified. Is it just the interface, for example, or is the workflow certified as well?

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03. Easily adaptable standard software

No customer deploys an off-the-peg SAP system, as every company has different business models, requirements, and potential scenarios to deal with. Your company's SAP system will most probably also require special configurations, customizations, and extensions, and so it is highly likely that your solution for processing incoming invoices will need to be adapted to your specific needs.

There are various ways of tailoring a solution to your requirements. You could commission your own custom solution, for example. The advantage here is that the solution will cater completely to your current needs. The disadvantages of such custom programming, however, are that it is extremely costly, time-consuming, and inflexible. Your custom solution may be tailored to your current requirements, your current processes and structures, and your current technology, but it can be extremely difficult and labor-intensive to adapt processes in such a solution. A routine task such as an operating system upgrade could present you with challenges that are virtually insurmountable. Another drawback is that custom solutions often fail to meet common standards, e.g. with regard to security.

That is why companies today rarely opt for custom software. Standard software can give you the flexibility you need, provided it offers enough configuration and setting options and the architecture is open and modular. Make sure that any modifications to the SAP environment are made via "user exits". This will allow you to depart from the standard at specific points without modifying the standard as a whole—in other words, without making any changes to the programming of the standard product itself. If you have taken this approach, you will be able to return to the standard should your requirements change at any time. This makes operations such as upgrades considerably easier.

If the software you are considering has a modular structure that allows you to make modifications in this way, you will have a great deal of leeway in customizing your solution. You will also avoid the typical problems that accompany custom software, e.g. when change-and-release processes take place.

One more tip: Have the software architecture explained and ask how and where modifications can be made. The term "user exits" is key here, as it refers to the points defined by SAP at which modifications can be inserted. Make sure to ask what the system does not allow, and beware of manufacturers that tell you nothing is impossible.

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04. Future-proof technologies

Even if your company still uses the classic SAP ERP, has not planned any upgrades, and does not use the cloud, you should nonetheless ask the manufacturer questions about cloud computing, S/4HANA, Fiori, and the HANA database.

SAP has announced that it will end mainstream maintenance for classic ERP systems in 2025. To avoid additional costs, SAP customers should ensure that their migration is complete before then. Software-development processes take time. Manufacturers will need to get working on SAP-integrated solutions now if they are to support the technologies their customers need to migrate in time.

One more tip: Ask the manufacturer about its road map. If the technologies mentioned above do not feature in the road map, this may indicate that the company has shifted its focus to other products, or even stopped development in that area. If the manufacturer fails to provide you with a road map for at least the next twelve months, you should be suspicious, as this suggests that the manufacturer lacks a professional, standardized development process.

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05. The product portfolio

When you are looking for a solution for processing incoming invoices in SAP, have a look at what other products for SAP the manufacturer offers. A very broad portfolio containing disparate solutions that have little in common with regard to themes and target groups may be a bad sign. It might indicate that the manufacturer is not focused enough and lacks the detailed expertise in the area that matters to you.

Equally, though, you should not choose a manufacturer with just one product in its portfolio. Look for a manufacturer that offers an entire suite of related products meeting a wide range of requirements. Even if right now you only need a solution for processing incoming invoices, in the long term it may be wise to choose a manufacturer that also offers solutions for related areas and processes such as streamlined procure-to-pay processes.

If at a later point you wish to introduce automated solutions for these areas, integrated solutions that share a common technological basis will offer significant synergy effects.

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06. Customer references and the installed base

Most manufacturers and providers of workflow solutions for processing invoices list references on their websites. We would advise you to scrutinize these references. Does the provider have customers that are similar to your company? Are they in the same industry, for example, or of a similar size?

It is a good sign if the provider has several customers like your company, as it means the provider will be familiar with the characteristics of companies like yours and can offer a solution that meets your specific requirements.

You should also ask about the size of the installed base, i.e. about how many customers are already using the product in question. If at least thirty to fifty customers use the product, you can be sure that the solution has been tried and tested, and that teething problems such as instability or lack of scalability have been resolved.

One more tip: Don't just look at the logos on the provider's reference list. Instead, find out which of these customers are actually using the product you are interested in. You should also ask whether you can contact the companies mentioned in the case studies. You will then be able to ascertain whether the case studies are based on active customers who are satisfied with the product. This will quickly separate the wheat from the chaff.

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07. Available expertise

When deciding on a solution, check that technical expertise will be available. After all, you will continue to require technical support long after the solution has been implemented. Processes will have to be adapted, the system will need to be extended, the infrastructure will have to be upgraded, and change-and-release processes will need to be carried out.

You can look to various sources for the technical expertise you will need to manage these changes. Even if you want to purchase directly from the manufacturer, check that it has systems-house partners with technology experts.

Another option is to build up the expertise within your own company. To do this, the manufacturer will have to provide extensive (technical) training and certification opportunities.

It is also important to check how many people the manufacturer employs. If a software manufacturer employs twenty people, for example, it is likely that only four or five of these will be the technical experts who are together responsible for presales, consulting, implementation, and technical support. In a situation such as this, you may find that there are insufficient resources to provide the support you need.

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Make sure you have 20/20 foresight

We believe there is much more to choosing a workflow-based solution for processing incoming invoices than just taking a look at the product features. You should examine the solution as a whole and carefully evaluate the provider. And make sure to look for a future-proof solution that can accommodate future changes in requirements, structures, and technologies.

Asking the right questions at the right time will help you to weigh up all your options and make up your mind. We hope that the seven points outlined above include some helpful information for your decision-making process.

We have one final word of advice: don't be afraid to trust your instincts. If you sense that you are being sold a pig in a poke or that the provider is not giving you good advice, it may well be the case that the software is not right for you, no matter how good its feature set looks on paper.

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About the WMD Group

WMD offers expertise in workflow-supported invoice processing. Customers use our software solutions for automated transmission and processing of invoice contents to ERP systems, in formats ranging from paper to e-invoice. Our solutions support electronic formats such as ZUGFeRD and XRechnung. We provide our customers with the consultation and technical means to respond appropriately to legal, technical, and market requirements.

Founded in 1994, WMD is firmly established as a software developer and provider of market-leading ECM systems across sectors. WMD streamlines scanning, document processing and archiving workflows within and beyond SAP software.

WMD's xSuite solution is developed in-house and delivers interfaces enabling easy integration in any environment. Solutions provide compliant, workflow-supported invoice, purchase and sales order processing, management of digital folders and contracts, digital mailroom processing, archiving, and more.

The company has expanded its product portfolio, enhancing its traditional on-premises solutions with services in the cloud. As an SAP silver partner, WMD offers deep workflow and archiving expertise. WMD's xSuite 5.2 is "SAP Certified — Powered by SAP NetWeaver." WMD has helped to optimize operations at SMEs and Fortune-500 companies globally in over 1,000 installations. Based in Germany, WMD has subsidiaries in Europe, Asia and the U.S.A.

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