QUEHENBERGER LOGISTICS GMBH

CASE STUDY

Quehenberger Logistics GmbH

Digitising the procurement process for the logistics enterprise

Quehenberger Logistics is a full-service logistics provider offering holistic, cutting-edge sectoral solutions for industrial and retail partners, with a focus on central and eastern Europe. From transport management to personalised logistical plans, its product portfolio is as broad and diverse as the needs of its international customer base. It includes contract logistics, air freight, sea freight, FTL/LTL, sectoral networks, warehouse solutions, heavy loads and customs services. Thanks to the end-to-end solution Kendox Purchase-to-Pay, the company has digitised its entire procurement process – from purchase requisitions and assignments to receipt of services, invoicing, and handover to downstream industry-specific and standard solutions.

Customer	– Quehenberger Logistics GmbH
	– 81 sites across 18 countries, HQ in Salzburg
	– Turnover: approx. EUR 460 million (FY 2019)
	– Approx. 2,900 employees
	– Approx. 240 HGVs in the company's fleet

Industry Logistical services

| **Project** | – Digital procurement process (purchase-to-pay) |
| | – From procurement to invoice validation, with automatic invoice posting |

Integrations	– AXON Ivy
	– smart FIX & smart INVOICE
	– SAP
	– Industry solution «Lbase»

Whether handling exotic fruits, sensitive medication, brand-new fashion, everyday goods or tyres, Quehenberger Logistics is a full-service partner for around 2.2 million shipments per year. The keys to its success are efficient processes within the logistical chain, transparency along the entire delivery route and increasing productivity using sleek, measurable processes. Since 2018, Quehenberger Logistics has pursued a consistent digitisation strategy, in the course of which it has adopted a number of innovative software solutions that have made it possible to fully digitise the company's processes. Its achievements as a result include significantly reducing throughput times during disposition and almost entirely automating individual processes like paperless order processing.

Using the ECM/DMS platform Kendox InfoShare as a foundation, the logistical specialist has digitised and implemented a wide range of processes and solutions. These include document archiving (for incoming and outgoing documents as well as those belonging to specialist applications), a "digital shipping binder" for shipment and transportation documents, digital contract binders for its legal department, implementing a track-and-trace solution for end customers and integrating this same solution into its customer care platform. As well as these previously established integrations, most recently the company has introduced a digital purchase-to-pay process based on Kendox InfoShare and AXON Ivy, handling everything from purchase requisitions to invoice validation and automatic posting.

A KEY PROJECT WITHIN THE DIGITAL TRANSFORMATION FRAMEWORK

Around 1,500 users at Quehenberger Logistics are responsible for various document-based processes, covering any number of scenarios across all departments. The number of incoming documents at its 81 branches across 18 countries and many suppliers is truly enormous: every month, thousands of documents are processed and archived, covering all kinds of companies and countries.

Digitising processes is one of the key themes at Quehenberger Logistics. In November 2019, the company began its first project to this end: "eReQuest – Finance". This would be a digital process-based solution covering everything from requisitions to posting invoices received.

In implementing Kendox InfoShare's purchase-to-pay solution, Quehenberger Logistics combined two projects in one. Originally, Kendox was given the go-ahead to digitise the invoices-received workflow. Over the course of the project, however, the decision was eventually made to expand the project so that requisitions, including orders and receipt of goods, would be included in the same process. Ultimately, the total scope of the the eReQuest – Finance project was to map the entire purchase-to-pay life cycle, from requisitions to posting invoices.

THE KEY CRITERION: AN UNDERSTANDING OF PROCESSES

For Sabine Harner, Head of Corporate Finance and Accounting, and her deputy Robert Berger, Head of Corporate IT at Quehenberger Logistics, one particularly important factor was the integration of the P2P process with the industry-standard transportation solution Lbase and SAP's ERP solution, which was already in use.

After carefully analysing the existing processes and creating a specification sheet, Quehenberger first assembled a project team. Together in a workshop, they evaluated various potential providers. At the end of the selection process that followed, Kendox was ultimately given the go-ahead for the project. "One key reason for us getting the go-ahead – aside from our many years of partnership – was that we were able to guarantee in April that we would go live as early as November," noted Kendox project head Jörg Schönfisch.

"Our key criteria for choosing Kendox were flexibility, a fast implementation phase, and a history of successful collaboration. We value our long-term partner's understanding of processes and the format of the project," explained Robert Berger, Head of Corporate IT at Quehenberger Logistics.

"Implementation ran from June to mid-November. In the first step, in April 2020, the industry-standard solution Lbase was integrated. We initially went live with just a few accounting areas, then gradually rolled out others," explained Jörg Schönfisch.

THE ENDPOINT: DIGITAL INVOICE PROCESSING

In digitising its invoices-received process, Quehenberger Logistics' goal was to eliminate paper documents entirely, speeding up overall processing times from receipt to approval. It also needed a better overview of all documents, and for individual documents to be easier to find.

In the course of the project, the accounting department came to the conclusion that the added value could be significantly improved with an upstream requisition process. "Before the Kendox project, we had a typical procurement process that used a capital spending tool. However, because different media formats were in use, this meant ordering, re-approving invoices and accounting were all done manually," explained Sabine Harner, Head of Corporate Finance and Accounting at Quehenberger Logistics GmbH.

With the new requisitions process using Kendox and AXON Ivy, the existing capital spending tool was fully replaced. The biggest benefit for Quehenberger Logistics is that its processes are now standardised and documented, and that validation processes are digitised and can be evaluated and monitored at any time.

"We benefit from standardised and documented processes, and from validation processes being digitised so they can be evaluated and monitored at any time."

*Sabine Harner, Head of Corporate Finance and Accounting*

REQUISITIONS PROCESS ENABLES AUTOMATED INVOICE PROCESSING

Quehenberger's reason for implementing the requisition process was its goal of simplifying invoice validation by bringing the approval process forward within the ordering workflow. Once the request is approved, the order is issued and the relevant invoice is later received by the company, it can generally be posted automatically.

With the help of Kendox InfoShare, the logistics firm implemented a fully digitised purchase-to-pay (P2P) process, from ordering and receipt of goods to invoice validation and automatic (black-box) posting. "The P2P process consists of several obligatory and several optional tasks which are provided for within the process model. The entire process is divided up into the eReQuest process, receipt of goods and the invoices-received workflow. Multiple third-party subsystems are also integrated," explained IT head Robert Berger.

ONE SPECIAL CHALLENGE: INTEGRATING LBASE

One special challenge was to integrate Quehenberger's existing transportation management system, Lbase. Integrating and fine-tuning Lbase was a particularly demanding task, made possible by excellent teamwork with the logistics firm's Lbase specialists. "A project of this scale will always stand or fall on the acceptance and support we get from the customer. For this project, we got a very high level of support from the key users, particularly in the form of the extensive tests carried out by the project lead. We can credit the seamless completion and ultimate success of the project to this excellent collaboration," said Kendox project lead Jörg Schönfisch.
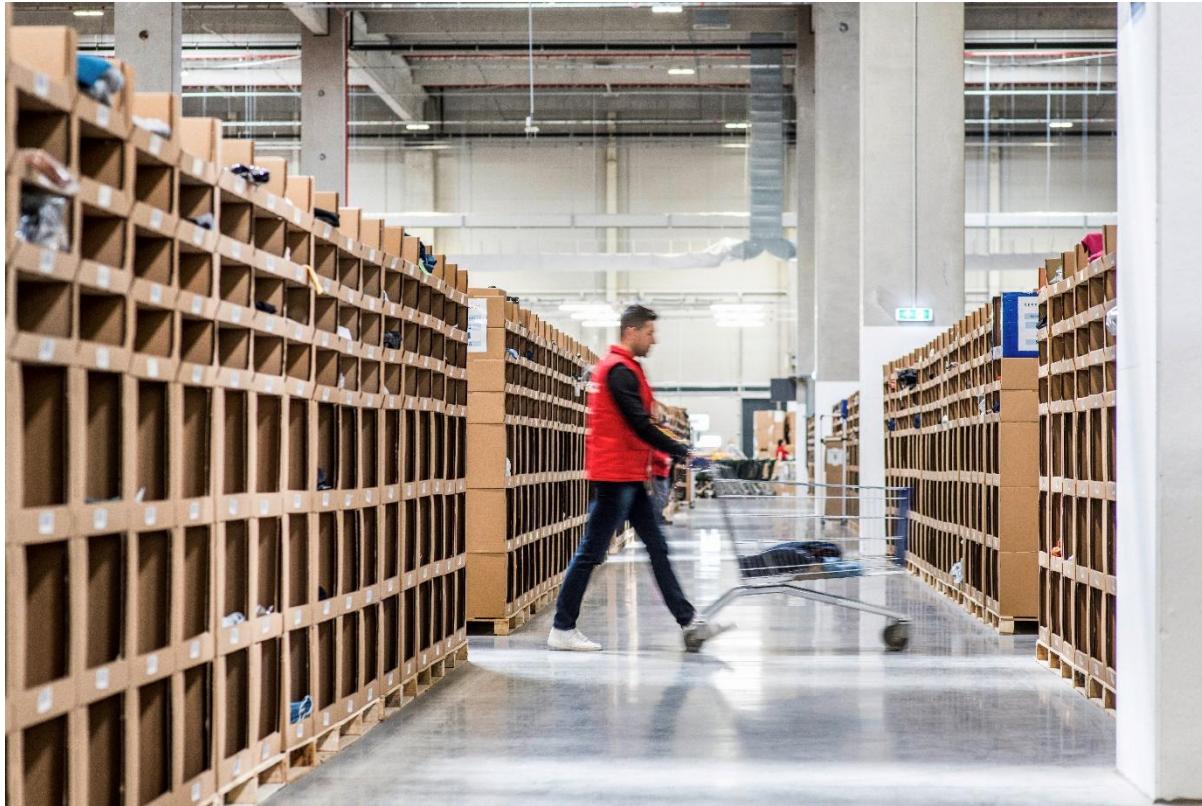
MAPPING THE REQUISITIONS PROCESS WITHIN EREQUEST

The typical requisitions process (known internally at Quehenberger as eReQuest) follows a fixed series of steps: First, employees create the requisition on the company intranet. Next, cost centre and/or departmental approval is given. After the requisition is approved, the order is generally issued by the applicant themselves.

At this point, the order (the document) can be directly generated within Kendox's solution and emailed to the supplier. The subsequent receipt of goods or services is confirmed manually within the system. Here, among other things, the system checks whether there have been any changes to the quantity or price. Next, the order data and (if applicable) the data captured on receipt are handed over to the invoicing process.

DIGITAL INVOICING – FROM RECEIPT TO PAYMENT

Quehenberger Logistics receives invoices either by mail (on paper) or email (as a digital attachment), sent to dedicated mailboxes. All invoices are first digitised (scanned) if needed, then archived. The actual processing then begins, starting with data extraction. Here, the extracted data is compared and verified against the data from the requisition process (order number, quantity, price), from SAP (creditor data, accounts, cost centres) and the transportation solution Lbase (shipment data). The verification step is where initial account assignment is performed.

The subsequent approval process runs according to a fixed set of rules. Invoices with a PO number but no confirmation of receipt are first sent to the person who issued the order for them to check and approve. If no deviations from the order are found, the invoice is sent directly to the accounting department and/or SAP. Invoices with a PO number and confirmation of receipt are also handed over to SAP for automatic processing, as long as the receipt details do not exceed the specified tolerances for deviations. On the other hand, invoices with a shipment or transport number are verified using a plausibility check against data in the transportation management solution

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Lbase. If validation is not possible or if there are any deviations, the workflow has the invoices manually processed and approved. If there are no deviations, the data is first handed over to Lbase, where it is then automatically passed on to Accounting or SAP for automatic processing.

PAPERLESS WORKFLOWS: FAST AND EFFICIENT

Quehenberger's digitisation project is paying off: one key benefit, aside from reducing throughput times, is the reduction in manual processing. As a result, error rates have been reduced and any confusion during allocation is avoided. This is because the digital process provides a clear processing structure, enabling unambiguous, transparent assignment to the appropriate signatories. The automatic validation process immediately checks all invoices received across various relevant parameters, allowing employees to focus on those tasks that add actual value.

"The entire process is now completely digital. For one thing, digital comparisons against upstream systems eliminate the extensive manual work to identify documents. For another, there is now complete transparency around the source or subject of an invoice, which is useful for example in the case of tax audits. We can always track whether the validation process was completed," said Sabine Harner.

The paperless workflow also reduces paper usage dramatically. And the system has really proved itself in the face of COVID-19. After all, in the home office, having a digital invoicing workflow is a big help for everyone involved. eReQuest saves time, money and paper. From November 2019 to June 2020, eReQuest processed around 8,800 documents. The average throughput time is 4.2 working days. This has saved 42,100 sheets of paper.

NEXT STEP

There are now plans to expand the P2P solution to include additional accounting areas. "eReQuest was the start of workflow-based process mapping. The goal is to consolidate all internal approval tasks, including in finance, human resources, quality management and so on, onto this new platform," explained project leader Sabine Harner.

The next step will include integrating the transportation management system Translogica and then rolling out the solution internationally, across all branches and in all subsidiaries abroad. The goal is to automate the entire paper-handling workflow, and to make all processes involving partners and suppliers fully paperless.

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Sabine Harner

ABOUT KENDOX

Kendox are the experts in digital document management and process automation for offices and administrative bureaus. With years of experience providing solutions using its own in-house technology, Kendox works in particular with customers in industry and manufacturing, trade and e-commerce, services, and logistics as well as with public institutions, schools and universities.

Kendox's applications are supplied and operated in the cloud from the company's own virtual data centres in Germany and Switzerland. Its software solutions are based on forward-looking technologies and meet today's security and data protection requirements.

Kendox's document and process automation solutions integrate with Microsoft 365, leading ERP solutions and many other specialist applications. Thanks to Kendox's collaboration with other solution providers and integration partners, the Kendox software platform works in any number of diverse use cases.

Kendox AG is based in Oberriet, Switzerland. It has branches and sales and consulting offices in Oberhausen (Germany), Puchheim (Germany), Vienna (Austria), and Serbia, as well as other locations in Germany, Austria, and Switzerland. Together with its partner network, Kendox provides ongoing support to over one thousand customers.

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