



Image source: KS Large Bore Pistons

Global Industrial Corporation Uses P2P Processes from a Single Source

The xSuite solution brings dependability to KS Large Bore Pistons Group's procurement and invoicing processes and ensures maximum efficiency by combining them.

The KS Large Bore Pistons Group is one of the world's leading manufacturers of large bore pistons. The company develops steel and aluminum pistons with diameters ranging from 130 to 640 mm for any application using conventional fuels, as well as solutions for alternative fuels such as hydrogen, ammonia or methanol. The newly implemented xSuite solution provides procure-to-pay (P2P) functionality for international use, with all modules coming from a single source.

Until the end of 2022, KS Large Bore Pistons GmbH operated under the umbrella of Rheinmetall as KS Kolbenschmidt GmbH, where it was in charge of large bore pistons. Back then, it was already using a semi-automated solution in SAP that digitally captured 30 percent of invoices (only certain invoice types and suppliers). This system was initially taken over "as is" after the spin-off from the Rheinmetall Group, as was the entire IT landscape.

Since then, Large Bore Pistons has been using its own SAP ECC system equipped with all key modules: FI, CO, MM, WM, SD and others. When several SAP interfaces were lost following a cyberattack in 2023, the manufacturer took the incident as an opportunity to introduce a completely new and comprehensive system for its procurement and accounts payable invoice automation (APIA) processes.



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Company

Web: www.ks-lbp.com

Sector: Engineering

Headquarters: Neckarsulm, Germany

xSuite® solution

- SAP integrated P2P solution: comprehensive procurement and accounts payable invoice automation processes
- Cloud solutions: OCR capturing and archiving

Decisive arguments for xSuite

- All modules from a single source
- Efficient processes and reliable planning
- Option of roll-outs in the USA and China

Systems integration

- SAP ECC

Software Provider for Internationalization

“When sounding out the market, we came across the xSuite solution, which was particularly appealing due to its comprehensive functionality. Not only does it allow us to capture and process invoices, but it also covers the topic of purchase requisitions, which, briefly put, enables us to set up an end-to-end P2P scenario,” explains Matthias Baumann, CFO of KS Large Bore Pistons Germany GmbH. “With xSuite, we get all modules from a single source and also have the option of rolling out the solution at our foreign plants in China and the USA at a later date, where we will be able to receive local support directly from xSuite. For us, a software provider that supports an international setup means gaining planning security and the greatest possible efficiency at the same time.”

The system was introduced in July 2023. It comprises the components for accounts payable invoice processing and procurement; Large Bore Pistons runs xSuite's OCR capture and the entire digital archive in the xSuite cloud, while the SAP system is hosted in the data center of the company's IT service provider.

Matthias Baumann is also highly enthusiastic when it comes to the collaboration with xSuite: “The software project was characterized by regular, punctual work meetings and open communication.”

Raising Awareness through Workshops and Training

The accounting and purchasing departments were closely involved in the implementation by means of initial workshops and training sessions. This ensured that everyone involved actively used and accepted the system right from the start. In the purchasing department in particular, it is important to create an awareness of how important correct account assignment is, as this is essential for ensuring that incoming invoices can be matched to the correct purchase order.

The process chain starts with the procurement process: In the feeder of the procurement module, the user describes the purchase requisition and, if the supplier has already been created, can readily apply the relevant basic data. If there is already an offer, it is attached to the requisition. The purchase requisition is automatically created in SAP from the feeder, and the corresponding approver is then selected via the cost center. Controlling and finance double check whether the account has been assigned correctly, after which the purchase order is triggered directly in SAP and dispatched.

Purchase Order, Approval and Quotation all in One Place

The previous release process for purchase orders in SAP was very cumbersome to maintain, and it was not possible to flexibly adapt it at a later date.

“With xSuite, we are now much faster at releasing purchase orders than we used to be when working directly in the SAP system,” Matthias Baumann points out.

KS Large Pore Pistons & xSuite

Another advantage is the integration of any catalogs via the Open Catalog Interface (OCI), the standardized catalog data interface for exchanging catalog records between SAP e-procurement systems and the suppliers' product catalogs. The catalog integration used to be handled with a separate tool, but the xSuite solution comes equipped with the OCI interface.

"Overall, a great feature of xSuite is that everything is perfectly documented," says CFO Baumann. "We can view purchase orders, approval and quotation information at a central place. This is a great advantage, especially during audits and tax inspections."

The invoice for an order placed is delivered after receipt of the goods or services. The total number of invoices received at Large Bore Pistons amounts to 8.000 per year, most of which are sent in PDF format. Around 70 percent of these are based on a purchase order. Using the order number on the invoice, the xSuite software compares the individual order items with the invoice items and highlights any discrepancies.

"We are extremely efficient because we can identify deviations automatically and no longer have to go through the invoices line by line. Such deviations are then immediately sent to the purchasing department for inspection."

Despite the high proportion of invoices with purchase order reference, Large Bore Pistons does not perform automatic posting; instead, every invoice is released for payment, which includes the 30 percent of invoices that do not have a purchase order reference. This is done via the xSuite invoice workflow, to which all cost center managers and management are connected. The aim is to gain experience with the system and determine how many deviations there actually are. Once this step is complete, the company plans to move to full automation. This means that if the invoice corresponds to the purchase order and the goods receipt has been registered, posting will take place automatically.

Significant increase in speed

Matthias Baumann: "In addition to bringing greater transparency across the board, the xSuite solution has enabled us to achieve speed gains across the entire process from procurement to payment. When comparing the current state of invoice capture and processing with how we used to handle everything manually, we've cut our processing time from one day to two or three hours."

In light of the new German e-invoicing regulation that will become mandatory in 2025, Large Bore Pistons must also be able to handle electronic invoices. It is almost certain that the company will rely on the corresponding xSuite component for this. After all, CFO Matthias Baumann's credo is "everything from a single source," a strategy that has been working out very well for the company so far.