



Overview

Distinguished by more than a 100-year pedigree in the automotive industry, Fiat is one of the largest car manufacturers in Europe. With such a size comes a certain level of bureaucracy – a level that grew uncomfortably in recent years. In the accounting and finance department, for example, the volume of invoices rose dramatically to 2.5 million in 2001, meaning at any one time there were up to 70,000 invoices in the system awaiting processing. This resulted in an increasing number of invoicing errors and delays in the processing of invoices.

Fiat's invoice tracking procedure was complex, exceptionally labor intensive, and could not keep up with the expansion of the business. Invoices flowed manually from office to office across Europe, then were checked and re-checked for accuracy at every single stage before payment could be authorized.

In an attempt to make the invoicing procedure less paper-intensive, Fiat put in place a Hummingbird document management system, which alleviated some of the administrative issues such as manual data entry. However, the invoice verification problem still remained.

Challenge

Fiat engaged DocFlow, one of Metastorm's partners in Italy to create a solution that would resolve the invoice verification problem and could easily integrate with the Fiat's existing IT infrastructure. Additionally, if recipients are on vacation or unavailable, the system had to be able to pass the necessary information up the hierarchy so that invoices with problems received the required attention. The solution also needed to be versatile enough to work across all offices regardless of linguistic barriers. Within the facilities operations Group, the large number of unconnected accountants, and seven different trade groups of engineers, electricians and carpenters mandated integration. The company had in place software such as Oracle databases and SAP, so any solution had to be compatible with these. DocFlow used Metastorm's Business Process Management (BPM) software to build a solution where users could initiate and complete tasks ranging from creating and filling out forms, getting approval, and routing associated questions, actions, documents and decisions to the correct people via a Web browser interface.

"We evaluated a number of options but could not find a technology solution that met our needs, would integrate easily with the Hummingbird system and did not require us to rip out and replace our current systems," said Carlo Masuero, Information Systems Manager for Fiat Gesco, the business process outsourcer of the Fiat group.

Highlights

Processes Enabled:

- Invoice Tracking and Verification

- \$3 million savings in one year
- Enabled the ability to process a great number of invoices with fewer staff
- Expect 12X ROI over 3 years

Customer Benefits & Results:

- Improved quality by eliminating fraudulent invoices

Solution

Metastorm BPM® now gives Fiat the ability to track the source of incorrect invoices and to address the inaccuracy instantaneously via automated steps. Time spent on tracking invoices has decreased significantly, and internal resources have since been redeployed to more business-critical activities. More importantly, Metastorm's tight integration with the HummingBird document management system means the entire invoicing process has been streamlined.

"Metastorm also was chosen because it was able to deploy its Metastorm BPM solution faster than others claimed to. With over 1,000 users, internally and externally, we had to be sure that the selection could be easily used by our suppliers, buyers, inventory management teams and payment approval staff."

"Metastorm was the only partner that met our expectations for a solution that is flexible and scalable. The real benefit of this system is the simplicity of the user interface. Working in conjunction with DocFlow, we were able to roll out the new invoice verification procedure to more than 1,000 staff," added Masuero. "Additionally, our invoice signatories can authorize invoices using an electronic signature that is updated in real time across all the offices."

Results

No longer relying purely on human resources to monitor and manage its invoices, Fiat can process a greater number of invoices with 20 percent fewer staff, leading to an overall savings of \$2.5 million. By 2003, Fiat plans to leverage Metastorm BPM to automate other business processes in the organization and further extend these processes to its suppliers.

"Metastorm BPM has enabled us to build stronger supplier relationships and improve the work environment for our employees. More importantly, we can now concentrate our financial and human resources on maintaining our technological leadership in the automotive industry," concluded Masuero.