

# case study



## Fast Grip on Paper Flood

*Continuing to work with paper documents meant that IKEA Austria would have had to enlarge their office space substantially. As an alternative to expanding their building, IKEA Austria began electronically filing its accounting department's documents with DocuWare. Numerous invoices from 120,000 regular customers are scanned locally in each of the five Austrian stores and transferred electronically for processing to the central accounting office in Wiener Neudorf.*

The Sweden based IKEA offers modern, functional furniture and accessories at low prices. The company further distinguishes itself by providing its customers with a variety of services connected to the purchase of furniture. IKEA's range of goods comprises more than 10,000 different articles, obtained from 2,000 suppliers in 55 countries. More than 2,100 employees work in the six stores in Austria, and an additional store will open soon. In Austria, the growth rates of the Swedish furniture house are far better than the average furniture store in the local market. In IKEA's 2002/2003 fiscal year, the company's sales reached 352 million Euros.

### Requirements and Organizational Framework

Due to the company's growth, the central accounting office faced the daunting task of filing and storing mountains of paper, which was quickly becoming harder and harder to store. For example, incoming invoices are received at each of the six stores. Before the introduction of the DocuWare document management system, the invoices were copied and mailed to headquarters, where they were sorted alphabetically and by store. Unfortunately, from time to time some of these parcels got lost and most of the documents need to be stored for seven years. IKEA decided that a document management system would provide the solution they needed.



The company started down the path towards digitalization in 1992 by storing data on optical plates (MOD 502), using Canofile equipment. DocuWare's ability to import the documents from the optical plates into an electronic document management system was an important factor in IKEA's decision. A document management system was implemented to provide needed information safer, easier and faster.

### **Technical Framework**

Each of the 25 workstations in the accounting department are equipped with a PC running MS Windows software and a special accounting program called CODA-Financials, which IKEA uses worldwide.

### **Documents**

At IKEA, around 30,000 incoming and 35,000 outgoing invoices, as well as 5,000 credit notes and 17,000 pay slips need to be filed annually. Additionally, IKEA needed to store bank receipts and general correspondence. Outgoing invoices, credit notes and pay slips are electronically stored as spool files.

### **Solution**

All relevant documents are electronically filed in a DocuWare File Cabinet. With the implementation of DocuWare, an electronic data flow was created and the employees gained immediate access to the documents.

### **Proof of Concept**

Incoming invoices are checked at each store and authorised for payment. Afterwards they are scanned, saved on the local hard disk of the scanning computer and then transferred several times a day to the central server. At headquarters, the invoices are booked into the accounting system directly from the digital entry baskets. The employees work with extra large screens showing DocuWare on one side and the accounting system, CODA-Financials, on the other half of the screen. The accountants work directly from the screen – easily and smoothly. Workflow protocols make it possible to reconstruct which employee released or booked an invoice. Barcodes are used as unique identifiers for each invoice. DocuWare can read the accounting data

from CODA-Financials and automatically tag the invoices with the needed index data and file them. The same happens with outgoing invoices, credit notes and pay slips, all of which are stored as spool files and linked to the corresponding form, allowing the information to be viewed like the original document. The spool file and form are combined with the printing data only at the moment when the document is viewed, so that the amount of data stored is far less than a scanned image.

### **Conclusion**

The implementation of DocuWare has made the paper archive at headquarters completely redundant since all documents are stored electronically. Incoming invoices are transferred electronically so that there is no need to mail them. This eliminates the risk of losing documents in the mail or during the filing process. With the help of barcodes, the data from CODA-Financials can be used as index data for automatic filing. All of the older data from the optical plates was transferred to the new system, meeting IKEA's requirements.



## The Benefits in Detail

### More Transparency

The workflow protocols created by DocuWare make it possible to reconstruct bookings and payment releases, so that the appropriate contact can be easily identified in case of inquiries. All documents can be found directly from any workstation by a click of mouse. This makes it possible to answer questions from customers or suppliers immediately, without time consuming research in the paper filing cabinets. Annotations and processing steps are electronically documented in the DocuWare File Cabinet. Because of this, employees can easily find information on transactions they have not processed themselves. This advantage is also true for certified accountants during audits, says Rudolf Bubich, Director of the Accounting Department at IKEA. Because of this transparency, IKEA can offer a better service to their customers and suppliers and answer more inquiries during the same time. This feature increased employee satisfaction. „Who likes to

scan dusty archives when looking for old paper invoices?„, says Bubich.

### Less Efforts, Lower Costs

Incoming invoices reach the central accounting office electronically; outgoing invoices, credit notes and pay slips are saved as spool files. Because of this, IKEA reduced costs by eliminating the use of expensive carbon paper copies, as well as gained a lot of office space. IKEA has calculated that during the seven years of retention time, 57 pallets of paper would accrue. In total, 90% of the former filing costs can be saved. In addition, the automatic filing process saves one to two hours of filing time per day. This means that employees gain time for more productive and more attractive tasks.

### Increased Profits

Incoming invoices no longer get lost on the way from the subsidiary to the central office – a problem IKEA Austria had to face quite frequently in former times. This means that they do not only save costs for package and postage, but also for second requests for lost

documents – such as working time and fax or phone costs. The electronic transfer also means that invoices can be booked earlier, which allows IKEA to take advantage of discounts and rebates more often.



“ Filing our documents electronically made it possible to reduce the costs for our archive by more than 90 per cent. The easy operation and the constant access to all invoices save us immense amounts of time and money. The fast acceptance by employees in various departments such as sales, human resources and accounting proves that our decision to implement DocuWare was right.

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Mag. Rudolf Bubich,  
Director of Accounting, IKEA Austria

#### The Requirements

- Electronic transfer of incoming invoices from the subsidiaries to the central accounting department
- Disposal of paper filing cabinets
- Save time and costs
- Integration with the existing accounting software CODA-Financials

#### The Solution

- DocuWare
- AUTOINDEX
- RECOGNITION

#### The Benefits

- Substantial reduction of storage space requirements and compliance with record retention schedule
- More transparency and improved service thanks to direct access
- Increased profits from taking advantage of discounts and rebates
- Saving costs for paper archives and filing time