



Customer Case Study

e-Invoicing in 5 Countries with One Solution

How Grundfos stays in compliance with the different legal requirements of e-Invoicing in Turkey, Hungary, Italy, Greece and Sweden.

Introduction

The obligation to electronically submit documents to tax authorities is becoming a standard worldwide. The requirements for electronic compliance are constantly changing and expanding into an increasing number of business processes like B2B procurement, logistics, etc.

As a multinational company, a major challenge for Grundfos is to comply with the legal and local requirements in all countries they are operating.

„There were a lot of new legal requirements at the same time in different countries, so we needed a strong partner who was ready to assist with competence and experience.”

Guido Cerri, Systems Consultant IS Financial Services Solutions, Grundfos

Major Challenges in Europe

All mandatory regulations in Europe have their processes and specialties, but the common factor is the submission of a specific electronic document format – an XML file.

E-invoices are created in a variety of formats. This can complicate the transmission of the e-invoice. To standardize the formats, the EU has defined an EU standard (EN16931). Despite the introduction of an EU standard, specific national rules still need to be considered. The structured XML format is most common in the EU and has country-specific-modifications.

Countries where Grundfos operates, such as Italy, Hungary, Greece, and Sweden, have introduced new regulations. Grundfos knew, that those changes could affect the business process on different levels.

Italy

For 2020 the Agenzia delle Entrate Italiana approved new standards for technical specifications for B2B electronic invoicing. The specifications include a new XML request for FatturaPA and other details as the type of withholding tax and social contribution.

Greece

With the introduction of the new eBook reporting scheme 2020, real-time validation of invoices through the Greek Independent Authority for Public Revenue (IAPR) became mandatory for all businesses operating in the country.

Hungary

The NAV National Tax and Customs Administration of Hungary made changes for 2020 to its Real-Time Invoice Reporting (RTIR) system regulating VAT statements for issued invoices.

Turkey

E-invoicing became available in Turkey to all eligible limited liability and joint-stock companies. Moreover, the Turkish government introduced the mandatory e-Delivery Note, which must be issued before the physical movement of goods.

Sweden

From April 1st, 2020, e-invoicing is mandatory to and from European Public Sector organizations. This EU directive, implemented in Sweden, forces companies to comply with this new law requirement and to issue e-Invoices to public institution in Sweden.

All Countries One Solution One Partner

Initially, Grundfos has used different local systems for the e-Invoicing requirements. Looking into the near future and the past, the company was not satisfied with the different IT solutions they used in European countries. To solve new requirements, they started to look at the global picture and searched for a digital compliance strategy.

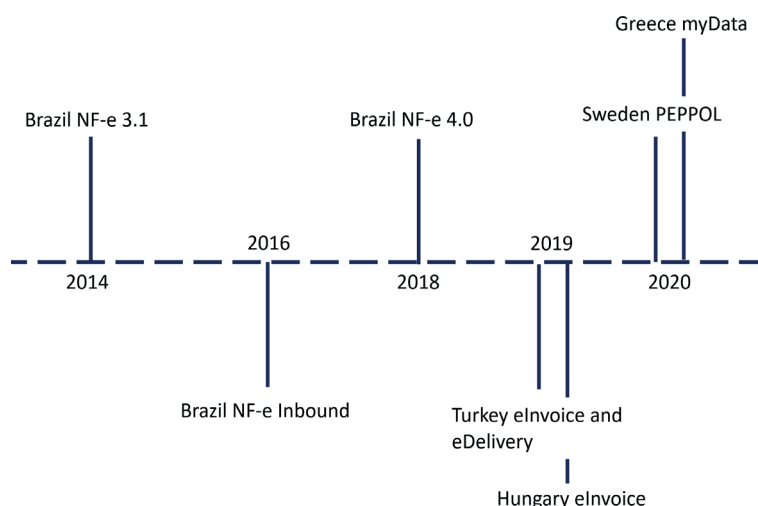
Grundfos was looking for a trustworthy and experienced SAP consultancy company that could cover their needs concerning Digital Compliance, to manage country-specific legal requirements for the exchange of electronic documents worldwide.

Operating globally, it is essential for Grundfos to have a defined and proactive strategy to keep all existing and upcoming legal requirements under control.

With Phoron, Grundfos found a partner who supports them in all upcoming legal requirements. This way, Grundfos can focus on their core business without any need to worry about the supporting processes. Altogether, this leads to a cost reduction by avoidance of fines, but also due to improved operations.

Another reason for the implementation of SAP Document Compliance is the integration of all country-specific legal requirements into one tool. Due to its holistic, secure, and integrated approach for SAP ECC and SAP S/4HANA, SAP Document Compliance was chosen as a solution.

From the timeline below, which depicts the affiliated projects of Grundfos and Phoron, it is evident, that Grundfos was recognizing the need to stay ahead of the ever-changing compliance landscape in those countries they do business.



About Grundfos

Grundfos is a Danish company, established in 1945. With an annual production of more than 16 million pump units, Grundfos is the largest pump manufacturer worldwide.

The Grundfos Group is represented by more than 80 companies, with over 19 thousand employees globally, with an annual revenue of 3,036 billion EUR (2018).



About Phoron

Phoron is an Austrian company, established in 2004, and located in 4 countries worldwide with more than 160 employees specialized in SAP consulting and implementation.

The Unit Digital Compliance especially focuses on legal tax and reporting requirements worldwide, and on how to realize these with SAP solutions.

The Project: Implementation of SAP Document Compliance for Turkey, Hungary, Italy and Sweden

Phoron helps Grundfos to identify which target countries should be prioritized, depending on the passed legislation and the deadlines for compliance set by the government. For 2020 the important countries with mandatory legal changes for Grundfos were: Turkey, Italy, Hungary and Sweden.

After the focus country has been selected, Phoron analyses the client's system and implements the eDocument Framework solution. The eDocument Framework is the basis for all following country solutions and therefore should be applied thoughtfully and constantly kept up to date, to ensure that the system functions correctly.

The implementation of the country solution is done in cooperation with Grundfos; weekly team meetings to discuss the issues and progress and smaller day to day information exchange when specific questions arise.

Phoron facilitates the creation of iFlows, the connection with the PAC, certified access point or tax authority, and the testing of the solution in the client's system.

The eDocument solution was implemented for Turkey, Italy, Hungary and Sweden. For monitoring and managing e-documents, the overview cockpit makes it easy for Grundfos to track the status and feedback from the local tax authorities in different countries. It is a big advantage for a global company like Grundfos to be able to monitor all legal requirements for multiple countries.

Another goal was the reduction of a 3rd party provider in not obligated countries. The costs for a 3rd party provider, as well as the numbers of partners and local IT tools could significantly be reduced.



Vision for the Future

Something that defines the global compliance processes, is its dynamic nature. Operating in multiple countries, Grundfos understands business future and the importance of transactional e-documents. The use of e-documents instead of paper saves money and facilitates cross-border trade.

To keep up with all the changes and to not lose track of other aspects of business, having a flexible and supporting long term collaboration with Phoron is very important for the company.

The next step for Grundfos in 2021 is to migrate SAP Document Compliance from SAP ECC to S/4HANA. This will be a simple process, as the country-specific solutions are developed for both systems.

“More and more countries are changing their laws to submit documents electronically to tax authorities. We want to implement Document Compliance in more countries worldwide, where we have legal obligations. We want to be prepared for the future.”

**Guido Cerri, Systems Consultant
IS Financial Services Solutions,
Grundfos**