

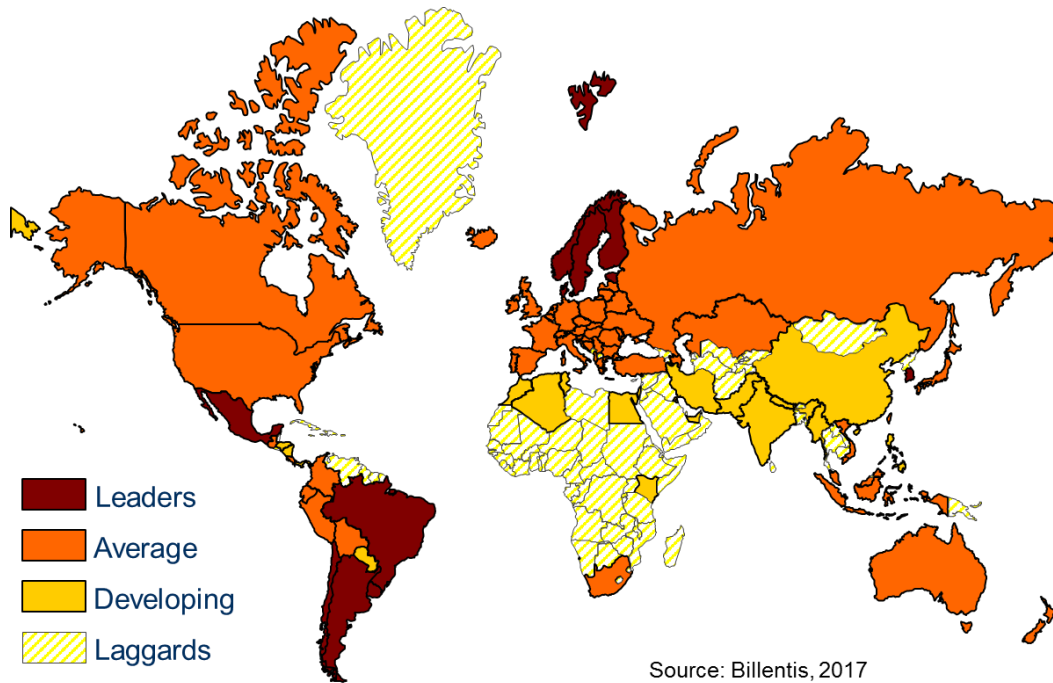
Global e-invoicing: How numerous Government initiatives mandate an overall change in approach to P2P automation



Coupa Inspire, London, 2017

Bruno Koch

International e-invoicing status & trends



Source: Billentis, 2017

400 billion bills/invoices globally (paper & electronic)

About 36 billion paperless (2/3rd of it B2B, B2G & G2B)

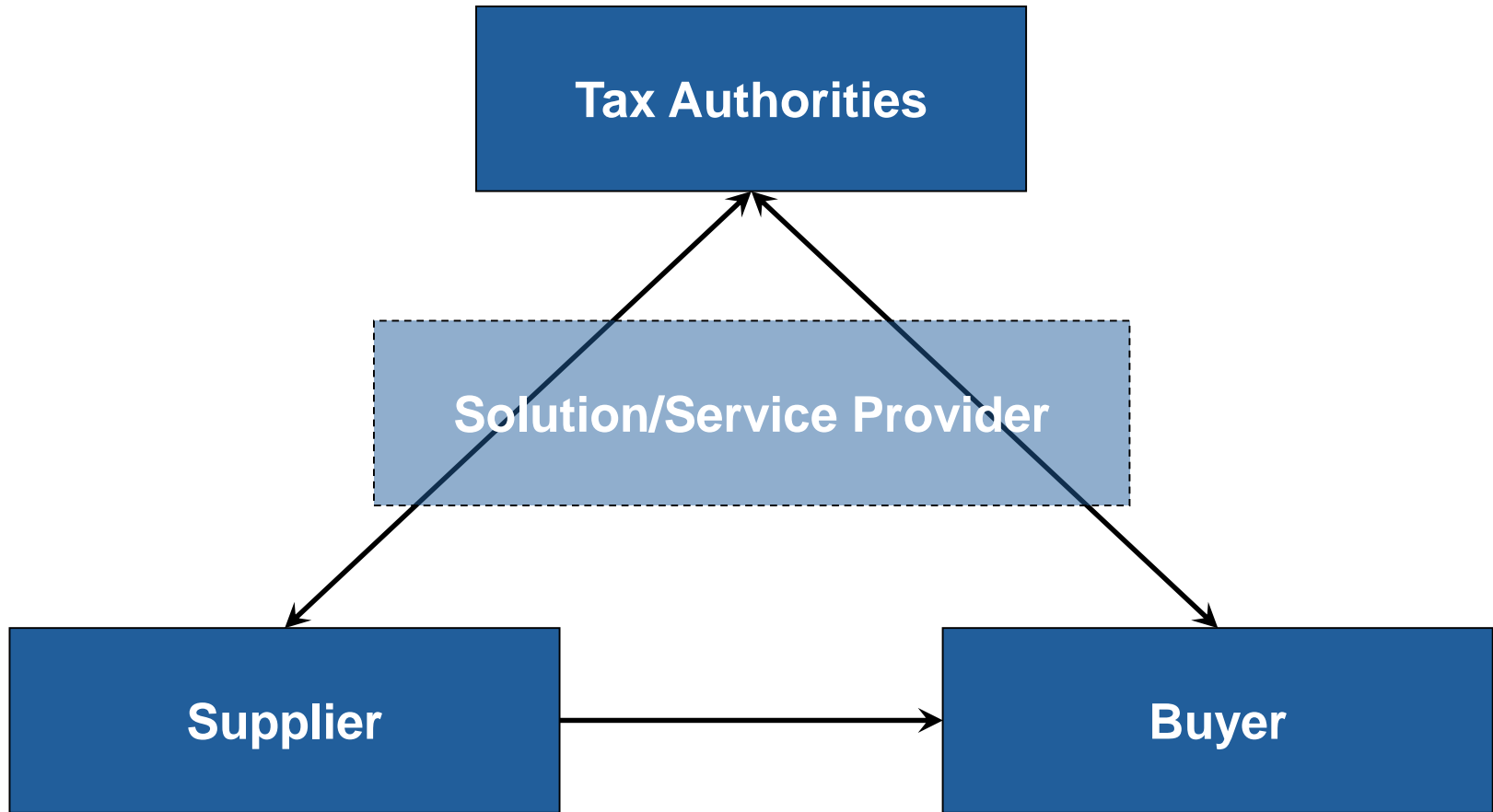
Minor proportion = true e-invoicing

Annual market growth 10-35% depending on country

Low hanging fruits harvested

Main strategy was to increase the proportion of e-invoices

Mandates for clearance model



Automation & compliance challenges for multinational businesses



“Main reasons for payment delays by domestic B2B customers”

	Incorrect information on invoice	Invoice sent to wrong receiver (internally)
Americas	26.3%	21.4%
Asia Pacific	25.7%	19.2%
Europe	15.1%	11.6%

Source: Atradius Payment Practices Barometer – November 2014

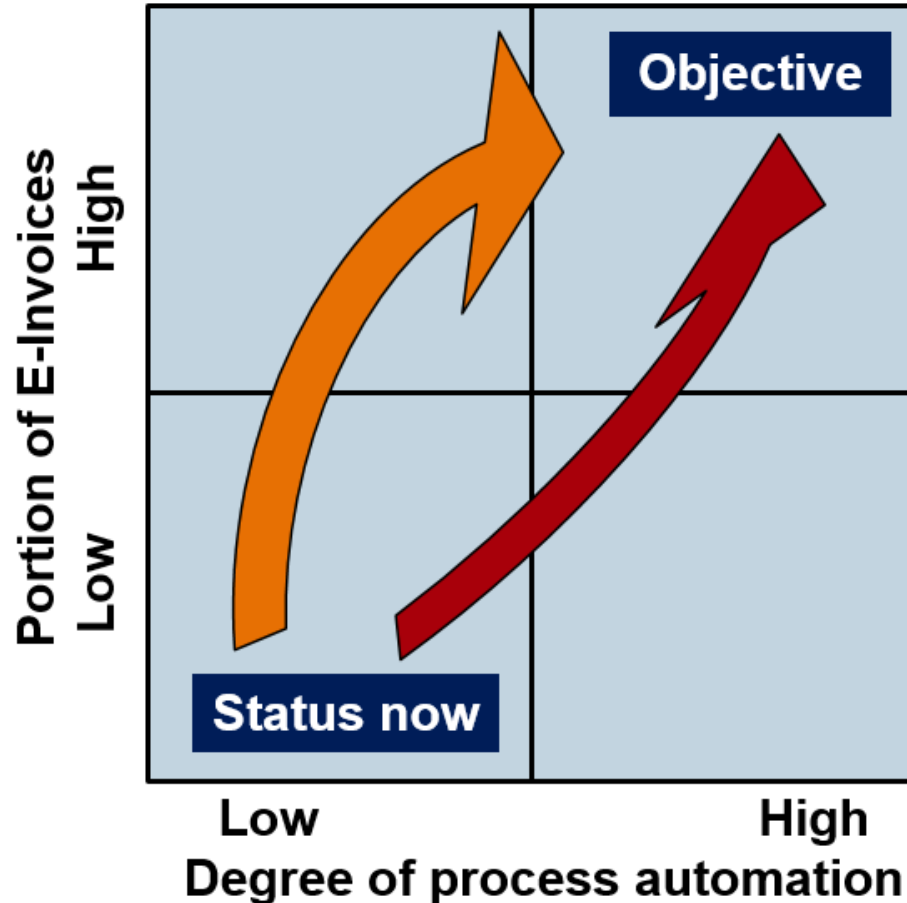
Exception handlings cost 3-8 times more than processing invoices with correct content.

Automation challenges for multinational businesses



- Fully harmonized processes
- Multiple ERPs
- Maximum requirements due to broad geographic coverage
- Provide and operate everything in-house; operation and archive on soil of country x; archive online access for auditors
- Multi-channel & format support
- Divergent message and process requirements
- No tax compliant long-term archive
- Change management
- Act in a tax compliant manner (formal and regarding content)
- No vendor with overall & global offering for multinational businesses
- Captured in the old world that evolved paper based

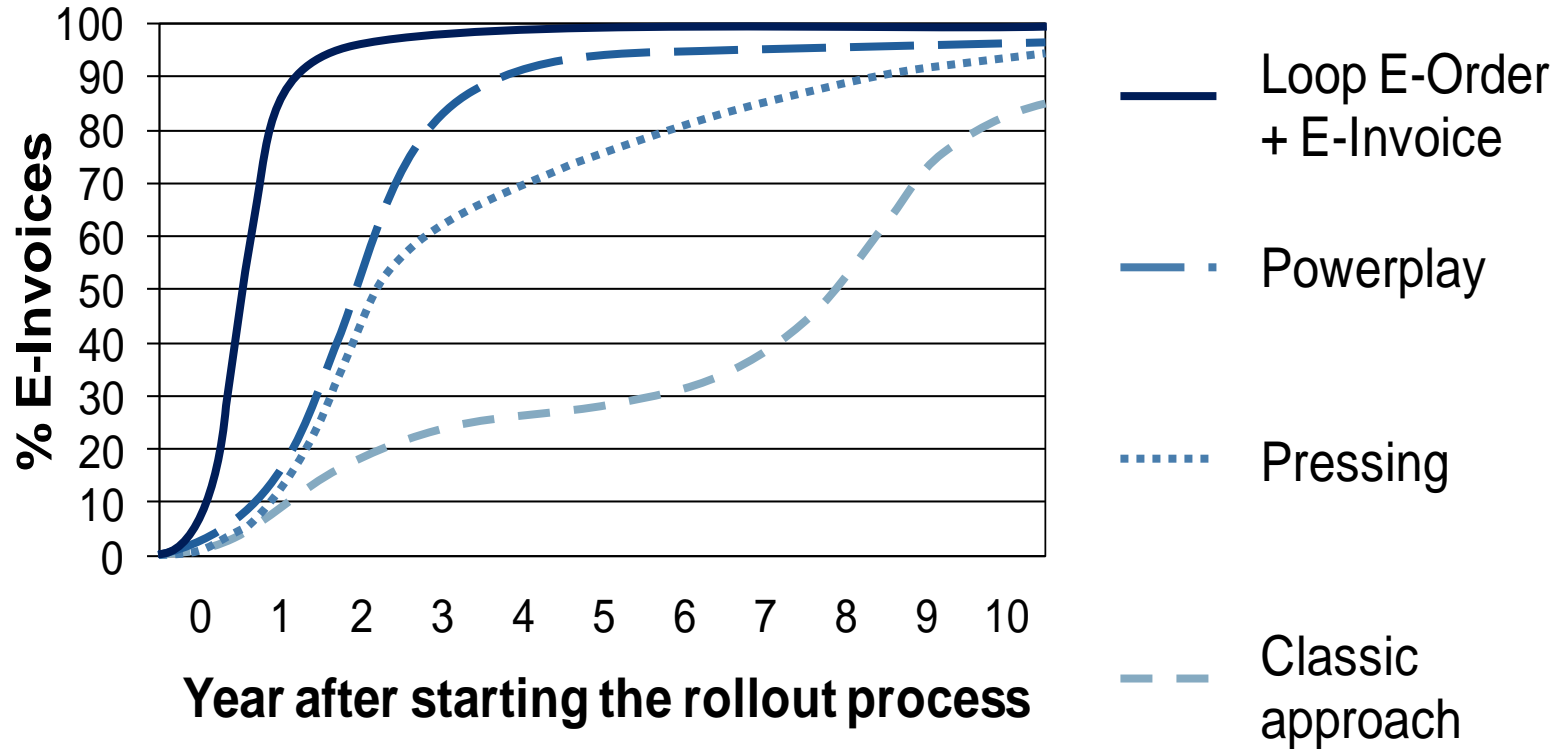
Two different implementation strategies for e-invoicing and P2P automation



-  Latin America, Asia, most parts of Europe
-  Anglo-Saxon countries, some Nordics, public sector in Portugal, vertical industries, multinationals

What's the preference and strategy of your organisation?

Achieve high proportion, tax compliant & straight-through invoice processing (1)



Achieve high proportion, tax compliant & straight-through invoice processing (2)



- Convincing/engagement costs per trading partner: EUR 80-120/supplier and EUR 20-60/customer
→ 10,000 trading partner = EUR 0.2 – 1.2m

...and/or the alternatives

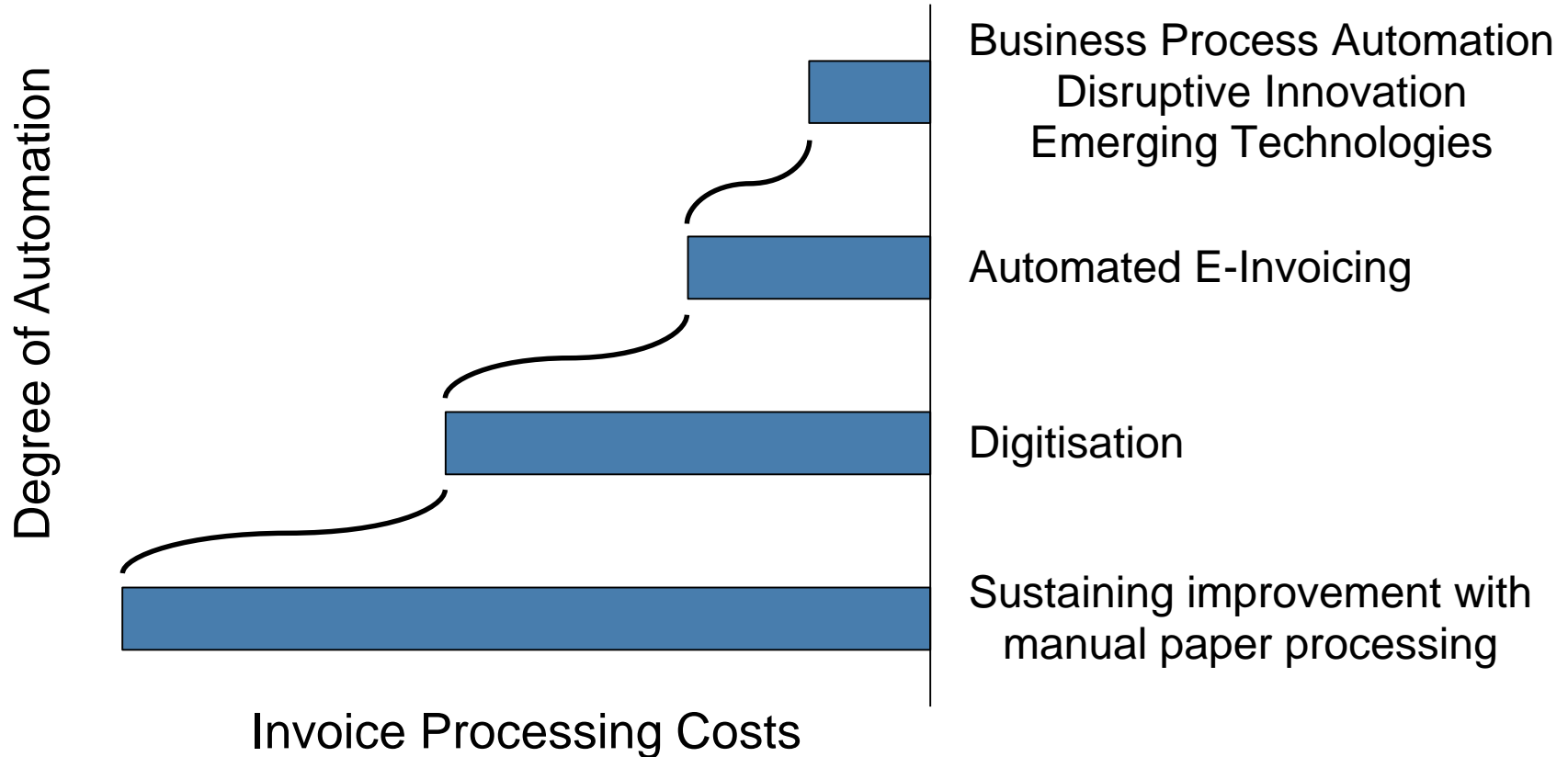
- Issue orders just electronically and require e-invoices (electronic loop for both messages)
- Push trading partners: e-invoice = default; financial penalties for resistant businesses as recipient: EUR 5 – 25 per paper invoice; financial penalties for suppliers: EUR 10 – 20 per paper invoice

Achieve high proportion, tax compliant & straight-through invoice processing (3)



- Improve data accuracy and tax compliance
 - Cleansing & updating/synchronizing of master data
 - Synchronisation of product data
 - Validation
- Increase proportion of PO based invoices
- Deploy emerging technologies
- Define O2C and P2P strategy, considering internally disruptive innovation and externally legal requirements for e-invoicing & e-reporting

Exploit the full saving potential

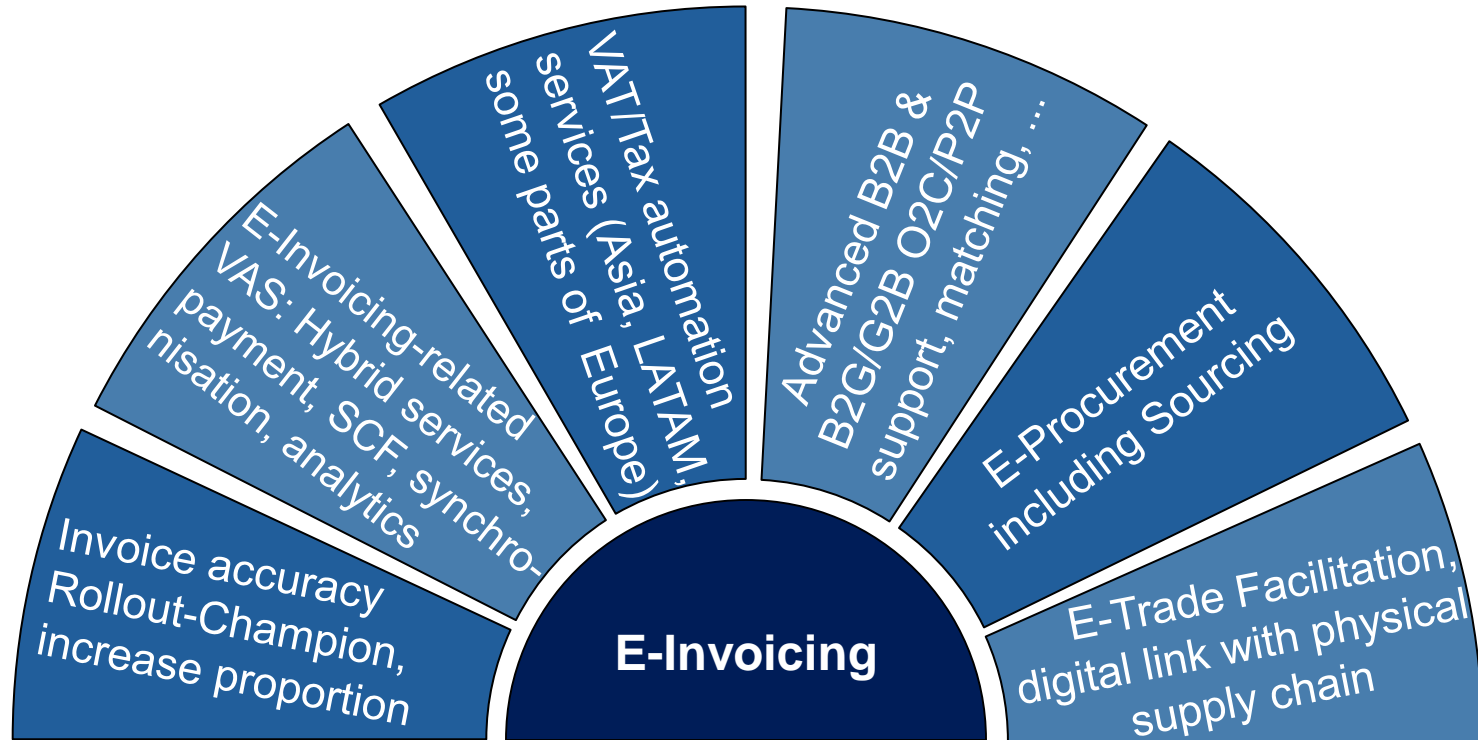


Significant market transition lies ahead

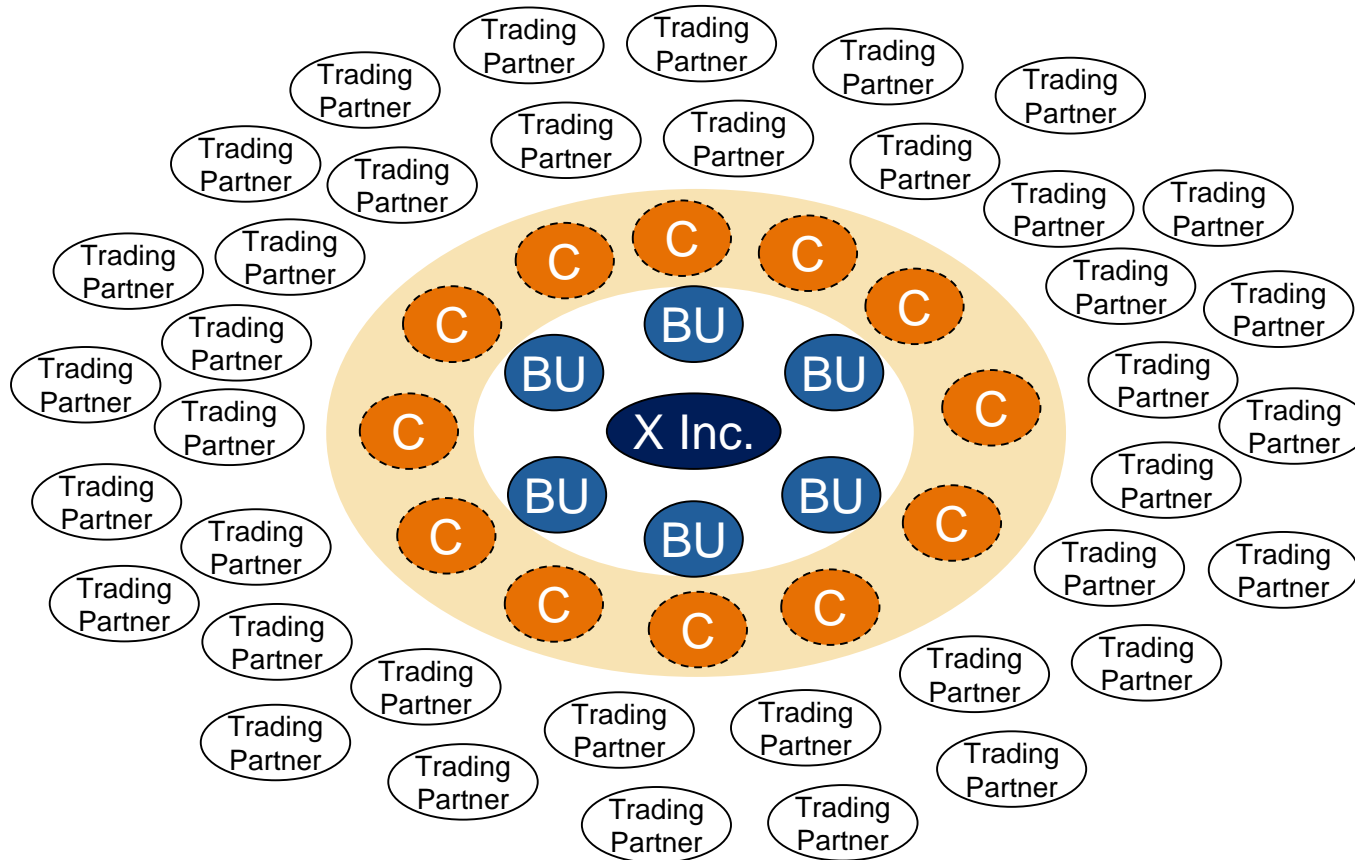


- Disruptive innovation
- Emerging next-generation technologies
 - Cloud Aggregation Platforms, Cloud Service Brokers
 - Robotic Process Automation, automate 50% of back-office processes
 - Machine learning
 - Advanced Analytics
 - IoT

Future Markets Radar and the role of cloud platforms (1)



Future Markets Radar and the role of cloud platforms (2)



- X Inc. Cloud environment**
- # Business Units
- # SSC
- # Cloud Services
- Topics A-Z
- On local soil
- Public
- Private
- ...Compliance?

„If you think compliance is
expensive, try non
compliance“.

Paul McNulty, former U.S. Deputy Attorney General

Questions?

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