

E-Invoicing

Credit Matters Conference, Prag

November 8th, 2012



Bruno Koch

The saving potential with
E-Invoicing in Europe is
estimated to € 243 billion

Source: European Association of Corporate Treasurers (EACT)

Development of the European E-Invoicing Market



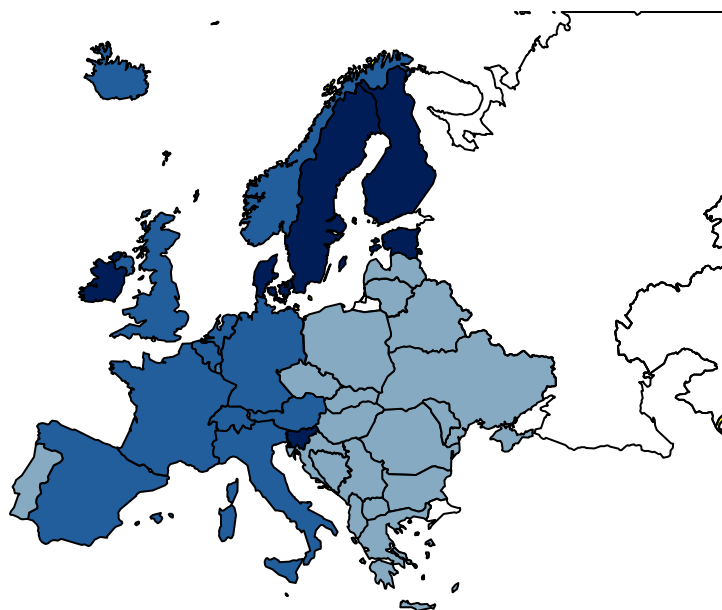
Recipient segment	Annual bill & invoice volume estimated to be at least	Estimated electronic proportion of total volume in 2012	Estimated annual volume increase of electronic bills/invoices
Consumer	17 billion	12 %	25 %
Business & Government	16 billion	18 %	30 %

Market Penetration 2012

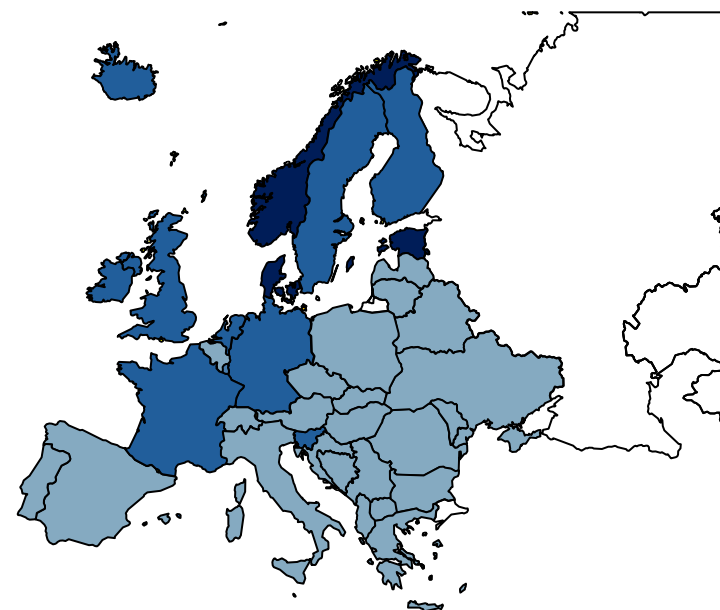
(Electronic share of total invoice/bill volume)



B2B/B2G/G2B



B2C

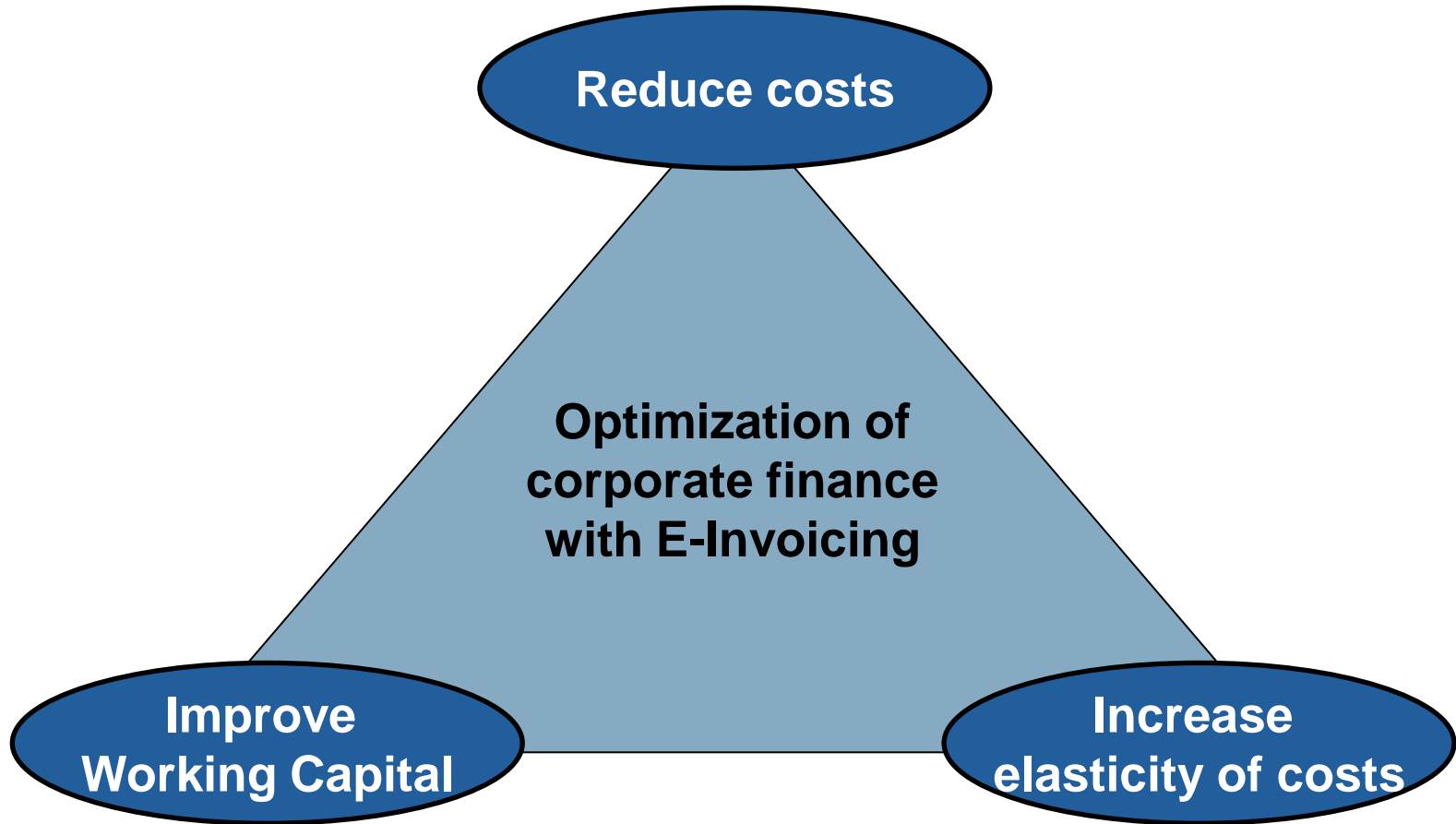


 >30%

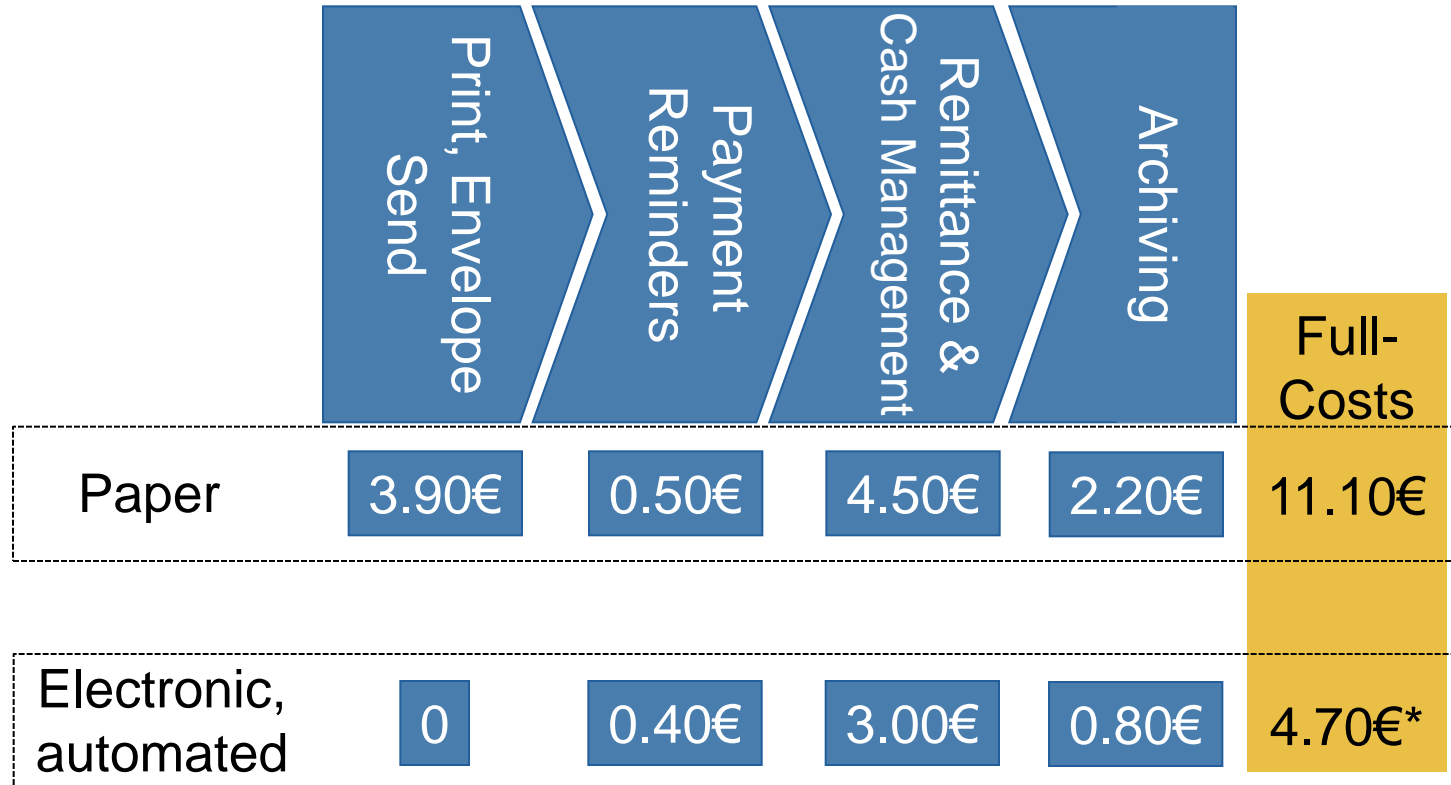
 10-30%

 <10%

Main driver for E-Invoicing: Optimize corporate finance



Reduce costs for senders



Saving per Invoice 6.40€ = 57%

*) considered is 0.50€ processing cost by third party service provider

Source: Billentis

Reduce costs for recipients



	Receive	Entering Codification	Validation & Matching	Dispute Management	Payment & Cash Management	Archiving	Full-Costs
Paper	1.10€	3.00€	4.00€	2.50€	4.80€	2.20€	17.60€
Electronic, automated	0	0	1.20€	2.00€	2.00€	0.80€	6.70€*

Saving per Invoice 10.90€ = 62%

*) considered is 0.70 € processing cost by third party service provider

Source: Billentis

Bad example

- An organization develops its own E-Invoicing solution and re-invent existing applications.
- It operates paper and electronic processes in parallel and finally has higher costs than before.
- Costs stay fix or even increase due to parallel processes and new requirements.

Good example: Shift fixed costs towards variable costs

- Switch internally to 100% electronic processing.
- Rent a solution on-demand in case you prefer a direct message exchange with your trading parties; Software as a Service
- Use E-Invoicing networks for the exchange with trading partners.

Electronic invoices pave the way or are THE catalyst to improve the corporate finance:

- Decrease DSO
- Increase transparency in organizations
- Support/accelerate payment guarantees; Reduced risks
- Support/accelerate Trade Finance / Supply Chain Finance
- Build a basis for on-demand SCF (not full turnover, just some invoices)
- Accelerate processing and workflow cycle to benefit (dynamic) discounts; many larger invoice recipients are just unable to process paper invoices faster than within 23-25 days, but the discount period can be just 10 or 15 days

Often, the discounts already pay back the initial investment in E-Invoicing + the operation costs for the first year!

Key stakeholders for E-Invoicing



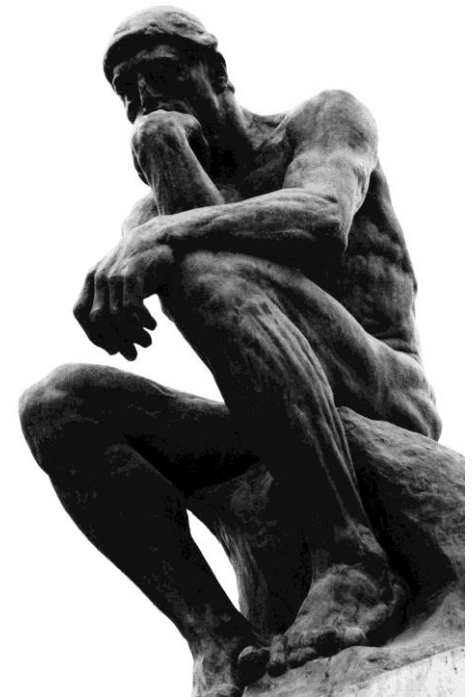
- Large invoice issuers and recipients
 - Issuers with advanced on-boarding methods, incentives and penalties
 - Recipients with the power play as large buyers
- Regulators and tax authorities
 - European Commission & national regulators push the digital collaboration between suppliers and buyers
 - Countries in Latin America, Asia and South Europe defined models to combat the tax evasion with real-time models
- Solution and Service Provider
- Market communicators → Holland
- Industry associations and Multi-Stakeholder Fora
- Industries with high invoice volume
 - Issuers: Telco, Utility, Card, Media, Logistics, Healthcare, Public Sector, Insurance
 - Recipients: Retail, Healthcare, Public Sector

- E-Invoicing and E-Procurement as important components in the EU Digital Agenda resulting in many concrete activities
Objective: E-Invoicing as predominant method
- Projects with high ambitions for the public sector, e.g. Austria (Invoices to the national administration have to be 100% electronically from 2014), Belgium (objective: 50% in 2015), Denmark (mandatory since 2005), Norway (mandatory since 2012), The Netherlands (objective: 80% in 2014), Switzerland (100% of all federal levels shall be enabled for E-Invoicing in 2016),

Typically, 2/3rds of all companies in a country are affected by the E-Invoicing projects of the public sector. Probably you will also belong to them.

*Still wondering how others rapidly achieve
very high E-Invoicing penetration rates and savings?*

*The success factors are well known.
Make the next step now!*



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International E-Invoicing Event: EXPP Summit

- Highly specialized **consulting** company: E-Invoicing, optimisation of Purchase-to-Pay and Financial Supply Chain; More than 150 customers in 50 countries
- **Market analyst**; issuer of market reports and newsletters
- Founder & Chairman of an **international congress** with 300-400 participants
- **Merger & Acquisition**; consulting, enabler for expected market consolidation
- Company founded in June 1999
- B. Koch (8 years PricewaterhouseCoopers, 4 years Credit Suisse, 2 years SIX PayNet)