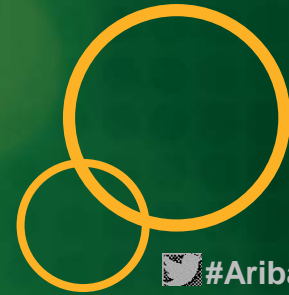



Pave the way for a broad-scale adoption of E-Invoicing

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“The European Commission has today proposed a draft directive on E-Invoicing in public procurement, accompanied by a communication setting out its vision for the full digitisation of the public procurement process, so-called 'end-to-end e-procurement'”.

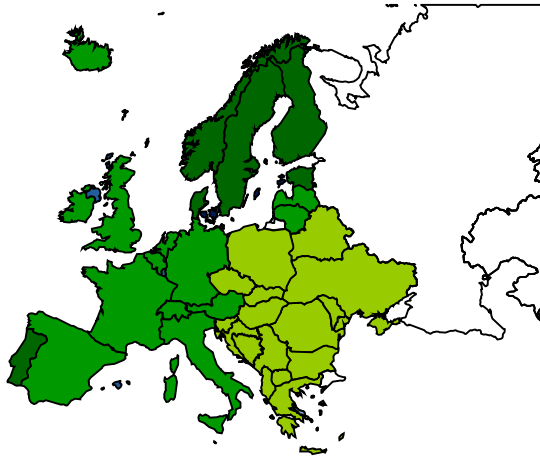
European Commission, 26 June 2013

In Italy, about 11,000 Public Administrations and 2 to 2.5 million companies will be affected by the E-Invoicing obligation coming in place step by step from June 2014.

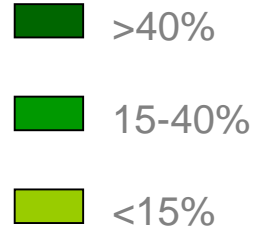
Quaderno del FARE - Fatturazione Elettronica verso la PA, Politecnico di Milano, 27 May 2013 & Umberto Zanini

Market Penetration

(Electronic share of total invoice volume in B2B/B2G/G2B segment)



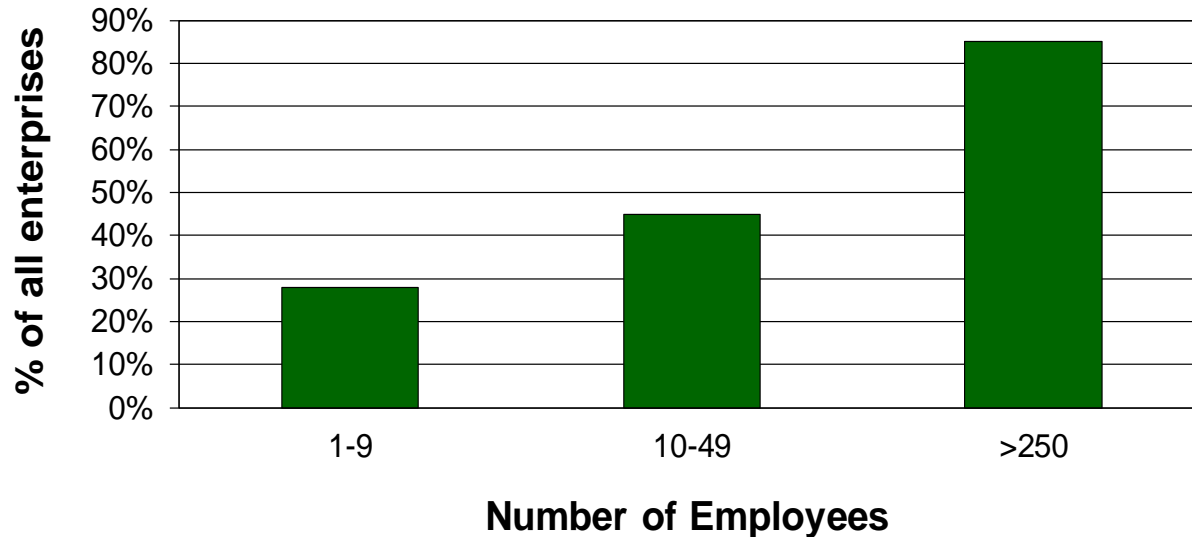
Expected market penetration in 2014



Electronic share	2009	2010	2011	2012	2013 (E)	2014 (E)
B2B/B2G/G2B	7%	10%	13%	15%	20%*	24%

*) Jump due to new EU legislation considering also unsigned PDF invoices in the statistic

E-Invoicing users in Europe (issue and/or receive)



Some trends in Europe (1)

- Electronic invoice exchange among larger companies
→ mass market, easy-to-use services
- Domestic → International
- Standards and technology → process optimization

Some trends in Europe (2)

- **Developing beyond pure E-Invoicing:**
 - ◆ Multi-message & multi-format services required
 - ◆ Pure E-Invoicing → support the entire O2C and P2P process
 - ◆ Spend analysis
 - ◆ Trade Finance / Supply Chain Finance
 - ◆ Some countries in progress to push (near) real-time-auditing instruments based on electronic invoicing and payment transactions (similarities with the Latam model)

Success factors in E-Invoicing projects (1)

- Awareness by senior executives about the potential of E-invoicing in a broader sense
- Management Support
- One very active project owner
- Implementing it step-by-step including a quick-win result
- Internal and external communication to key persons affected

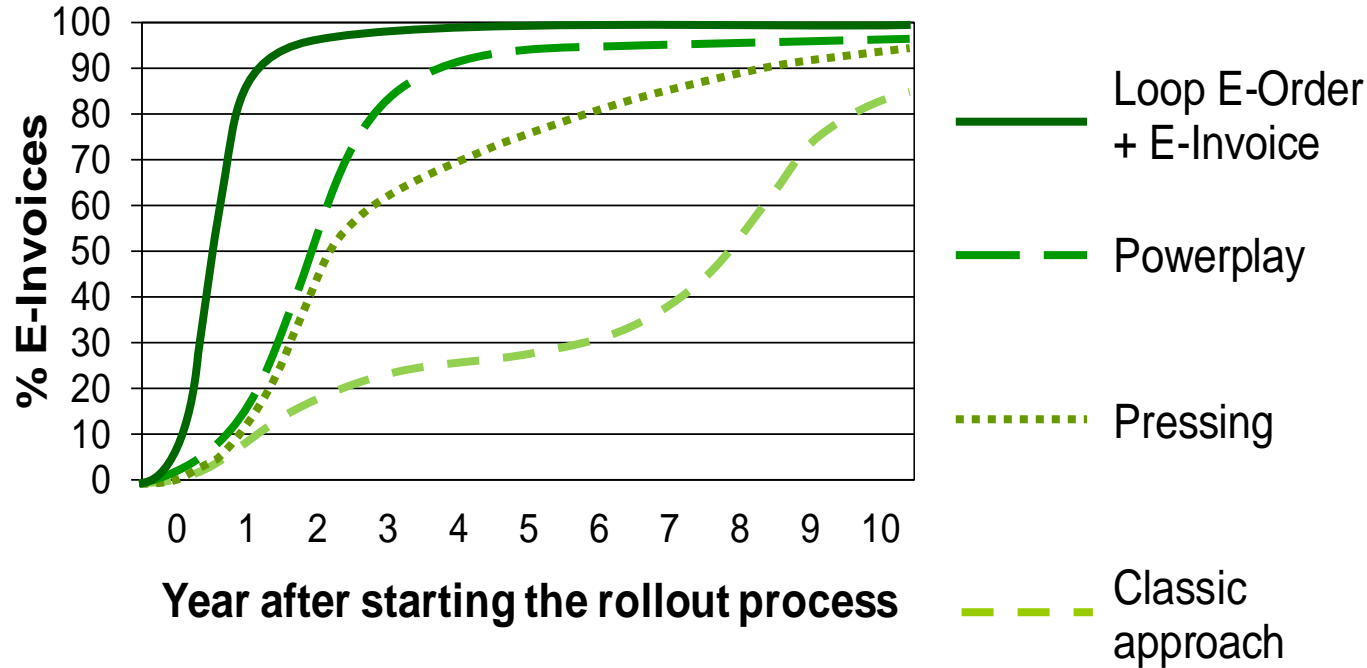
Success factors in E-Invoicing projects (2)

- Being realistic regarding mid- and long-term technical capabilities in your organisation including workflow and archiving → right decision for make/buy and direct or network model
- Don't re-invent and develop solutions which are already available

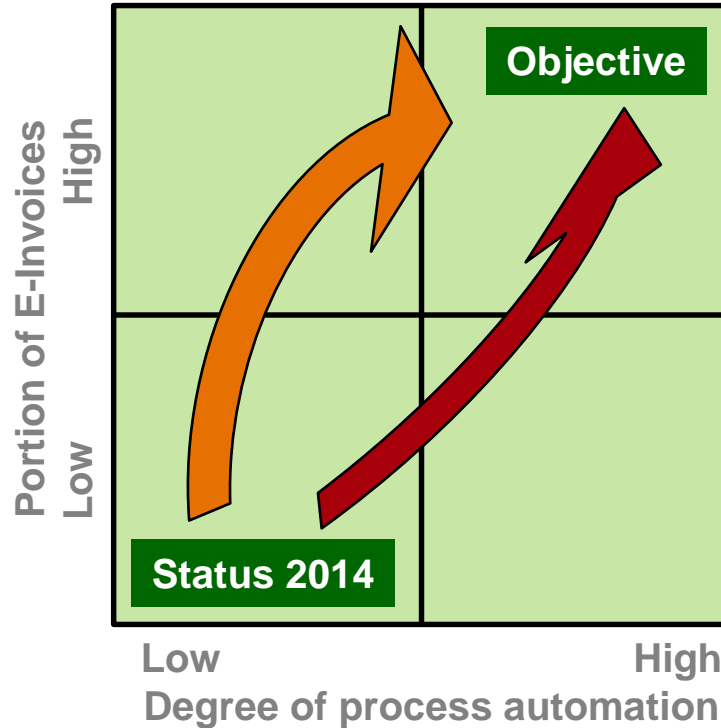
Success factors in E-Invoicing projects (3)

- Being realistic regarding technical capability of your counterparts to send, receive and archive E-Invoices
- Being a rollout champion

Success rates dependent on used method



Two different implementation strategies



Major barriers and how to overcome them (1)

- **Legal requirements are unknown or confusing**
→ *Involve experienced network operators supporting you with tax compliant cross-border E-Invoicing services*
- **Change/adoption of internal organisation processes**
→ *Ensure sufficient management attention and involve key persons in the project in an early stage*

Major barriers and how to overcome them (2)

- **Divergent requirements of trading partners regarding formats, methods and processes**
→ *Involve network operators with the capability to address all sizes of trading partners with various requirements*
- **Trading partners do not support the electronic invoice**
→ *Contact them. Often the trading partners just need inspiration to do it now and some guidance on how to do it. Higher acceptance if value added services are offered.*

Major barriers and how to overcome them (3)

- **Lack of budget**

→ *In-house developments cause high initial and follow-up costs. Field-tested applications and services from third parties are typically significantly cheaper. If services on demand or SaaS are preferred, the initial investments are moderate.*

- **Lack of resources to manage automation**

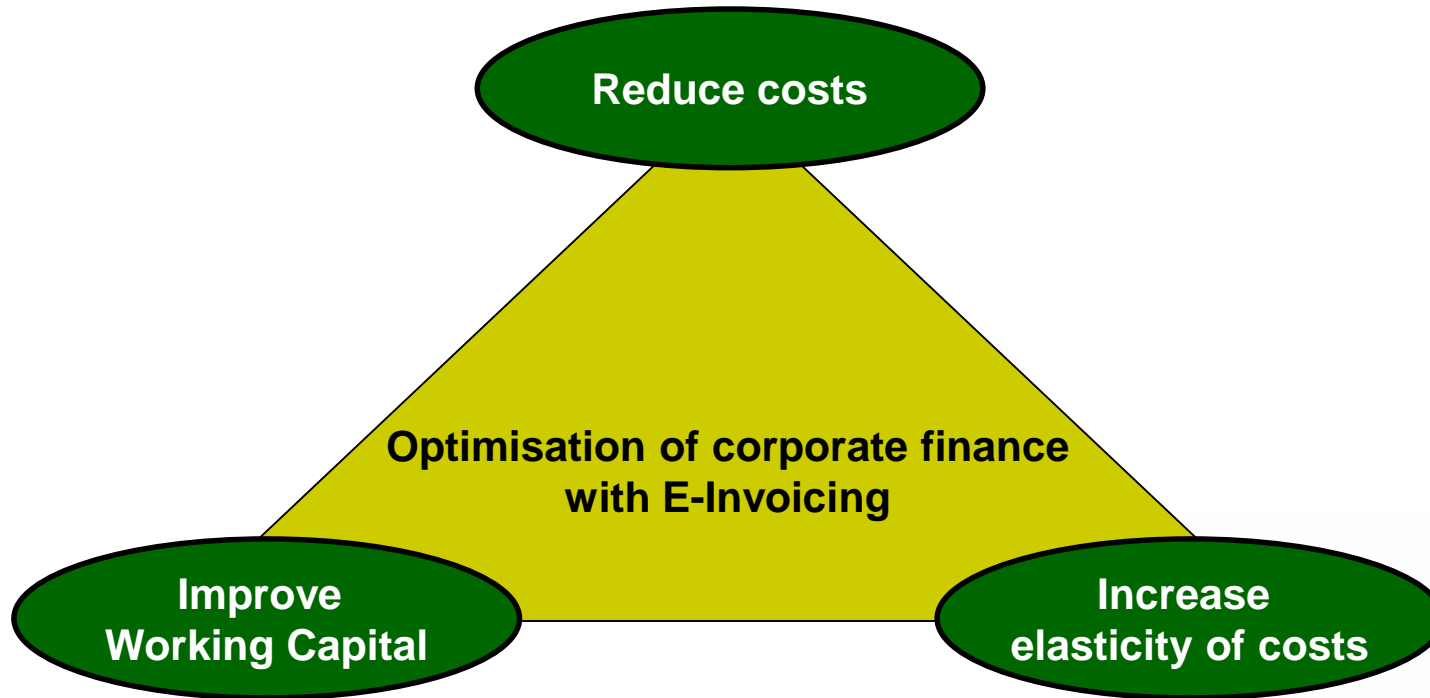
→ *Shift E-Invoicing to the enterprise's number 1 priority.*

Major barriers and how to overcome them (4)

- **Lack of understanding of current available solutions**

→ *Independent market reports are available; involve market analyst or experienced consultant*

Main drivers for optimisation



Process costs for recipient

Real business case of consulting customer



Saving per Invoice 10.90€ = 62%

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

Key findings and conclusions (1)

- E-Invoicing is a strong and global trend.
- The business case especially for larger recipients is excellent.
- Your trading parties are anticipating E-Invoicing.
- The market maturity meanwhile achieved an advanced level.
- Appropriate solutions for any size of businesses are available.

Key findings and conclusions (2)

- Divergent requirements of trading partners regarding formats, methods, processes, added-value services and tax compliance however still build major barriers. Even for large multinational companies is this hard to overcome without third party assistance.
- For good luck is there already a rich offering of some experienced and international service providers.

*Why still thinking about it
until you have to react?*

*Better do the next step now
and in a proactive manner!*



About Billentis

- Highly specialized consulting company: E-Invoicing, optimisation of Purchase-to-Pay and Financial Supply Chain; More than 150 customers in 50 countries: Federal administrations, large invoice issuers and recipients, solution providers
- Market analyst; issuer of market reports and newsletters
- Company founded in June 1999
- www.billentis.com