Collaboration Model for E-Procurement and E-Invoicing Networks

Connect ONCE Fall Summit

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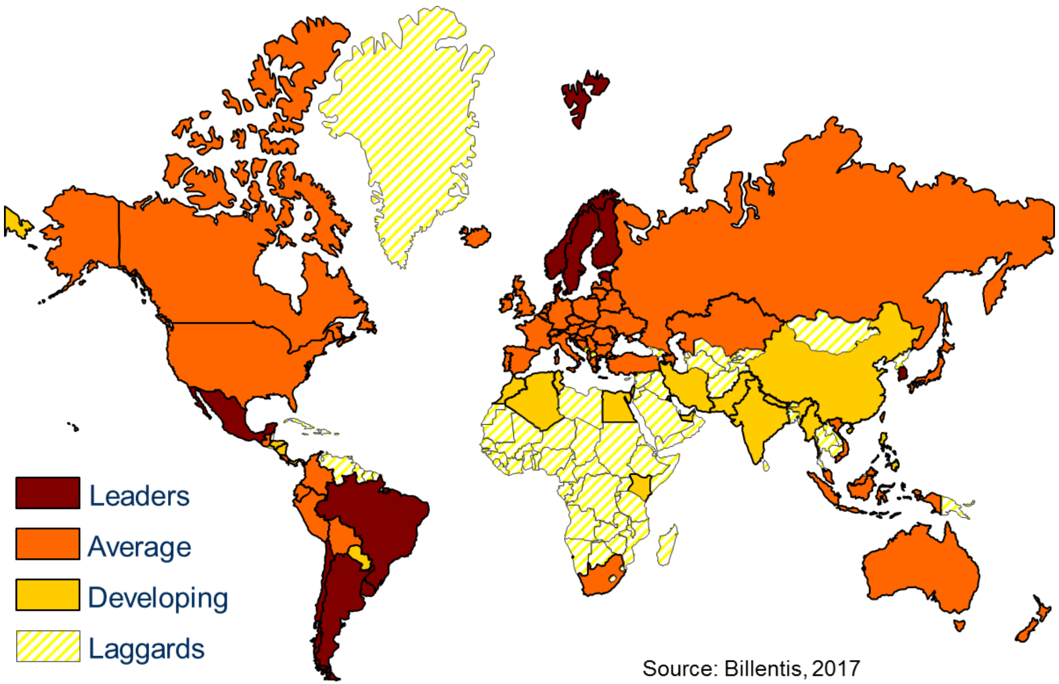
In countries with VAT/GST Systems is the e-invoice the queen of all messages!

International e-invoicing status & trends

Billentis



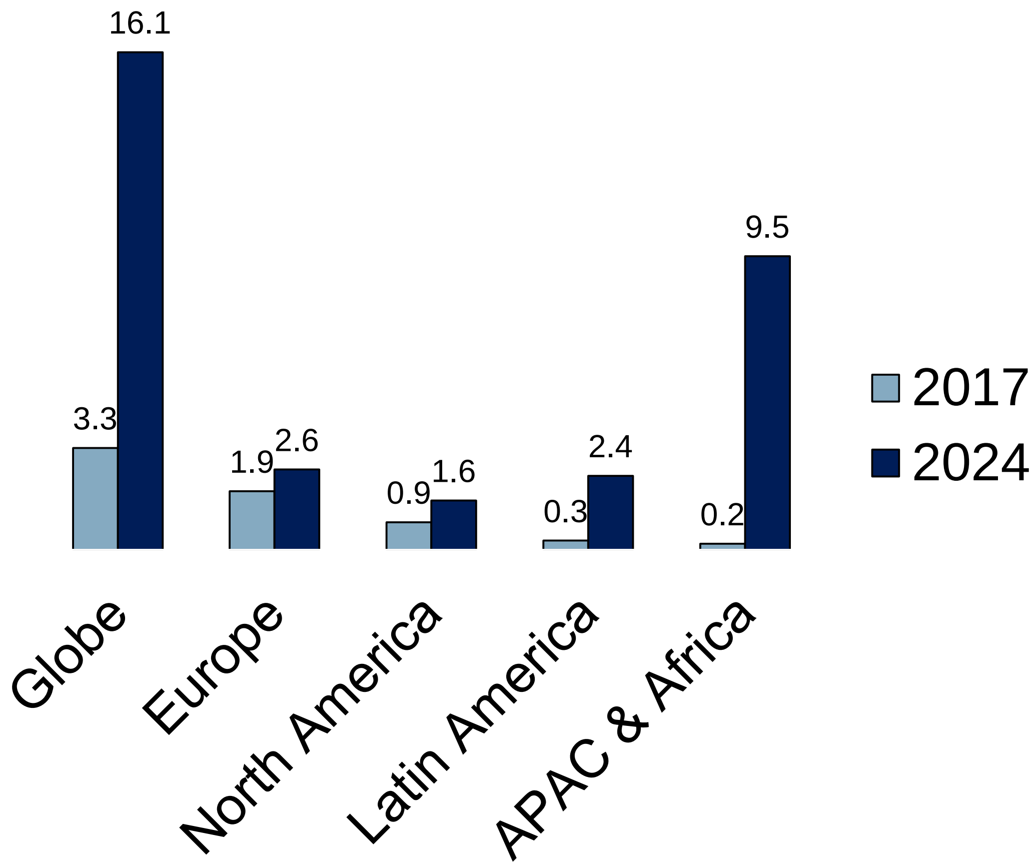
400 billion bills/invoices globally (paper & electronic)

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

Minor proportion = true e-invoicing

Annual transaction market growth 10-35 % depending on country

Global e-invoicing market valuation
(Billentis, in billion EUR)



Includes exchange networks, communication gateways, IaaS, SaaS, PaaS, implementation costs, value added services like data validation, formatting, synchronization etc.

Not part of the estimate are workflow, archive solutions, and processing of business data that is related to invoices.

Tax evasion resulting in new legal requirements

- Estimated VAT gap = 500 billion Euro p.a.
- Cash payments without receipts
- Carousel fraud, invoicing between phantom partners
- No invoicing or invoicing using wrong amounts
- No supplies behind invoices
- Smuggling and domestic fraud with physical supplies
- Fictive employees and salaries

Complete digitalisation of the financial supply chain, (near) real-time traceability for physical supply chain and electronic link of these two worlds. → Clearance Model globally dominant in 2025

Increasing market requirements and overlaps for Service Providers

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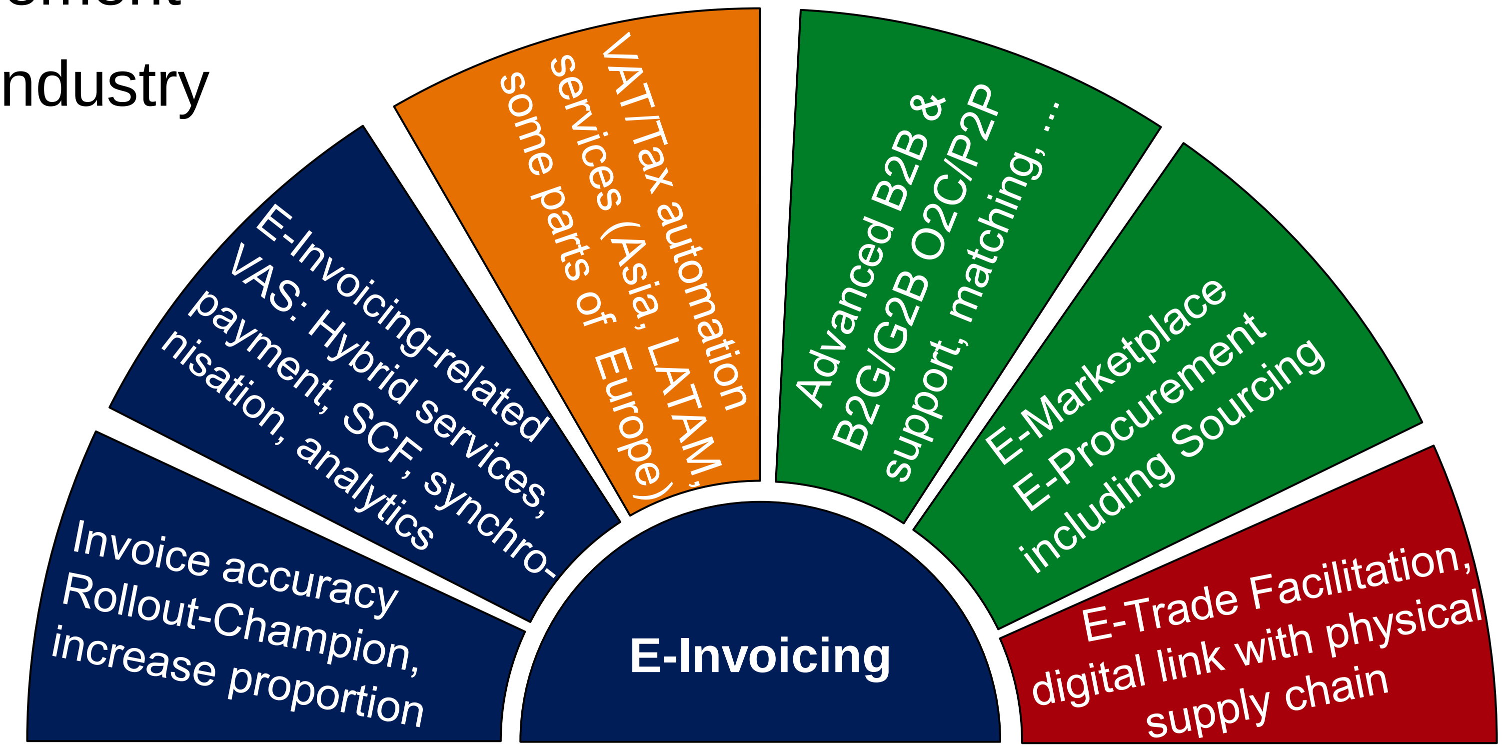
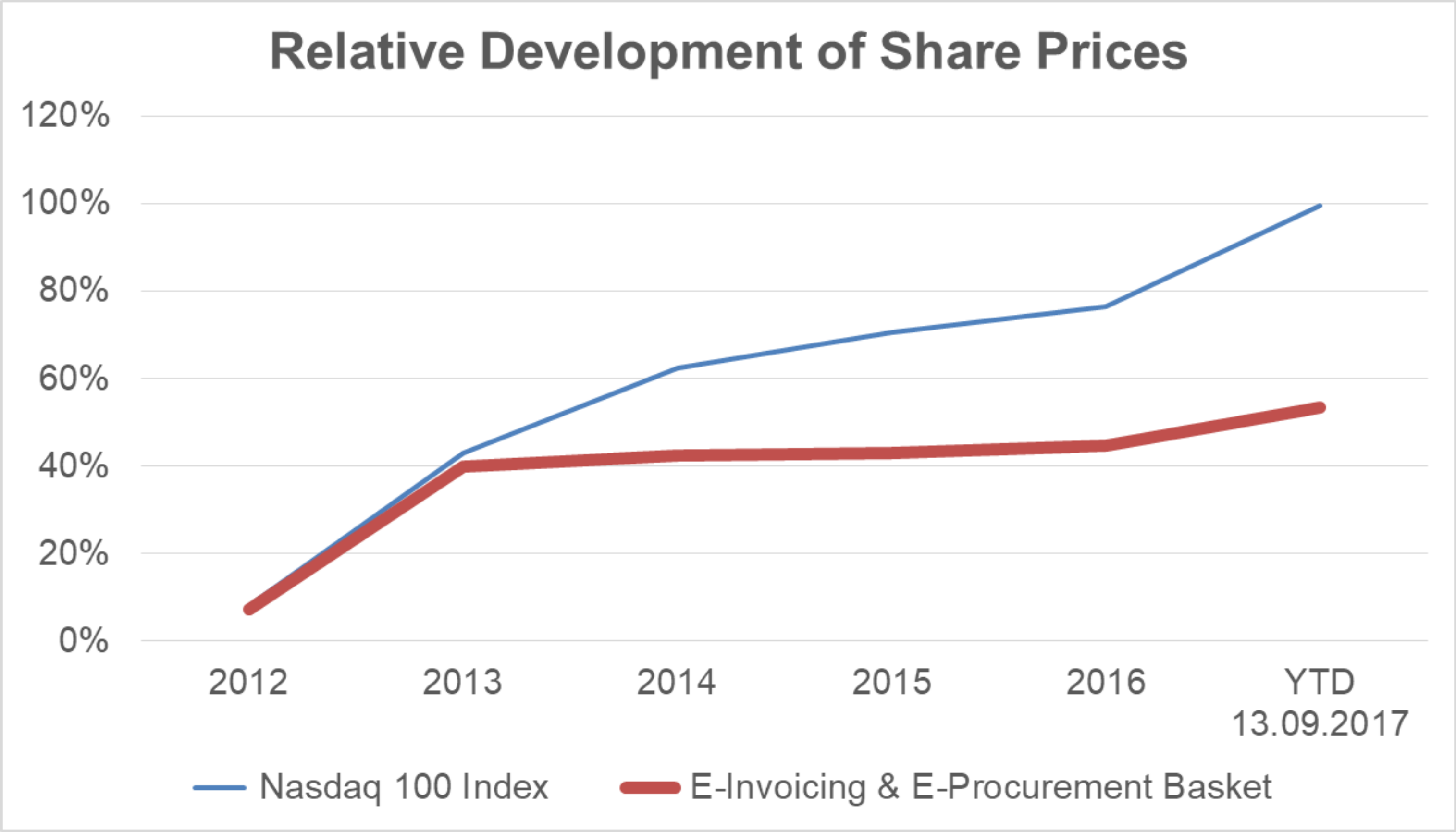
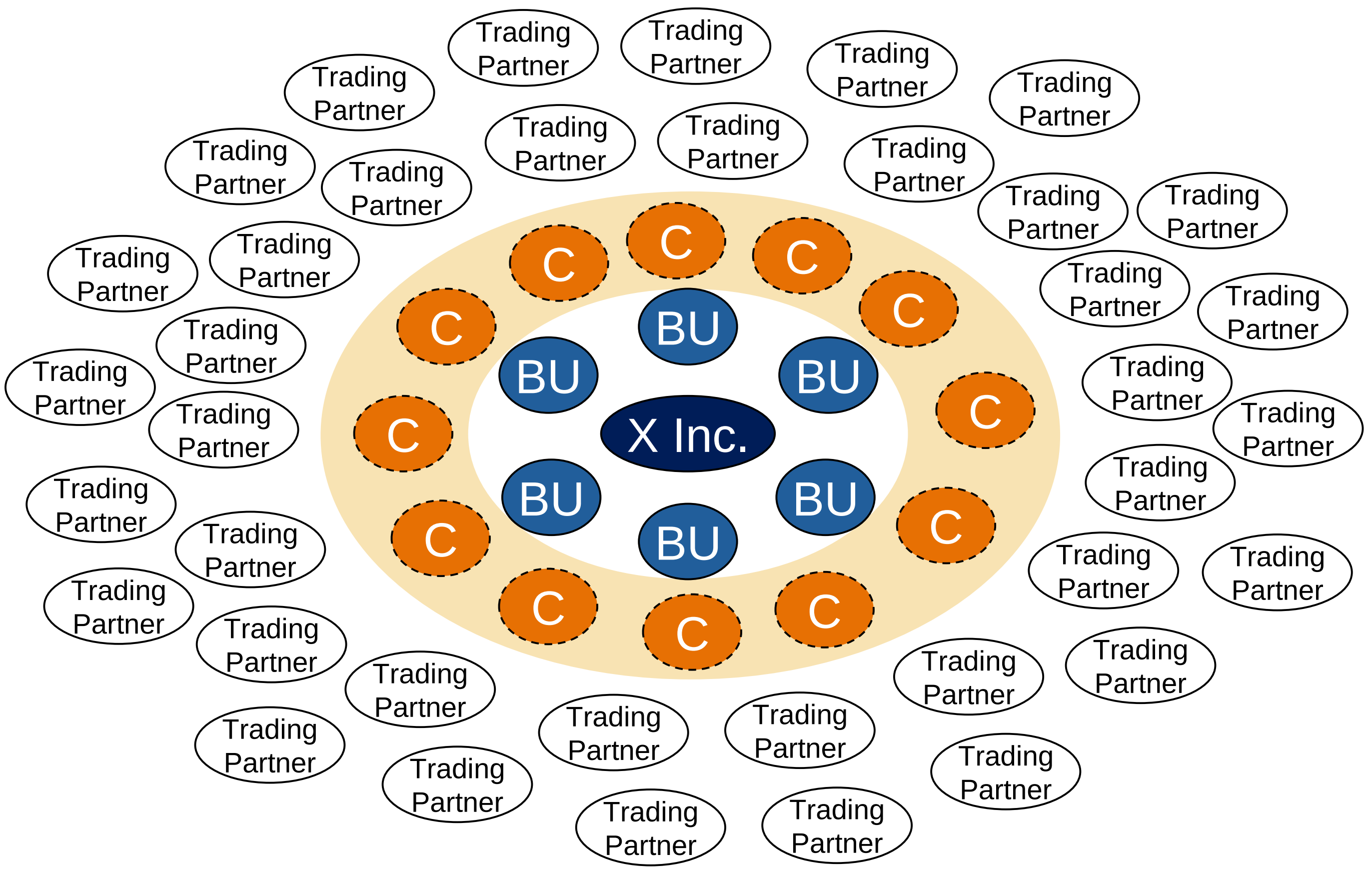
- Public sector mandating its suppliers for e-invoicing & e-procurement
- Private Industry



Service Provider market valuation underperforming



Necessity for modular & interoperable cloud services



X Inc. environment

Business Units

ERPs

SSCs

Cloud Services

Topics A-Z

On local soil

Public

Private

New trends and requirements

- End Users
  - Purchase Cloud Aggregation Platforms
  - Require open APIs (Application Programming Interfaces) for their business applications and cloud services; ~ 10,000 different ERPs in Europe
  - Forbes: Year of APIs
- Service Providers
  - Cluster numerous cloud components; become Cloud Service Brokers
  - Improve international interoperability

Cloud provider collaboration strategies

New European Norm not sufficient as common denominator

- Software developer and cloud operators addressing European market required to support the EN from 2018
- Very useful, but as only common denominator too small
- Transport/delivery and business layers not specified
- Extended support for seamless cloud interoperability and API communication with business software required
- My suggestion: Specify an **Interoperability Reference Model** as common denominator at least for semantic, syntax and transport → orientation for the IT community

Questions?

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