

# E-Invoicing market trends and opportunities for service providers



XIV ICCI Conference

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Bruno Koch

# Market penetration 2009

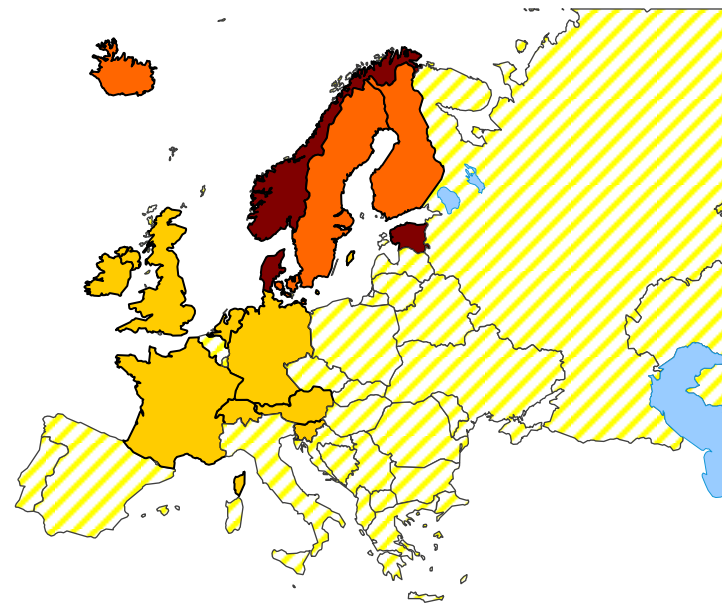
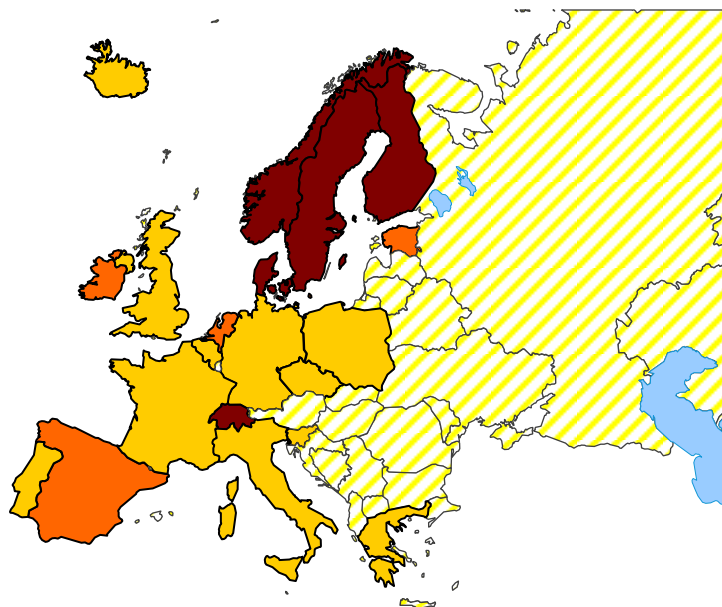
(electronic share of total volume of 30 billion)



B2B

2009 (E)

B2C



 >12%

 6-12%

 1-5.9%

 <1%

Source: Billentis

## **2008**

- Roughly 1 million businesses use E-Invoicing (in a tax compliant manner)
- 25 million consumers
- One billion electronic invoices

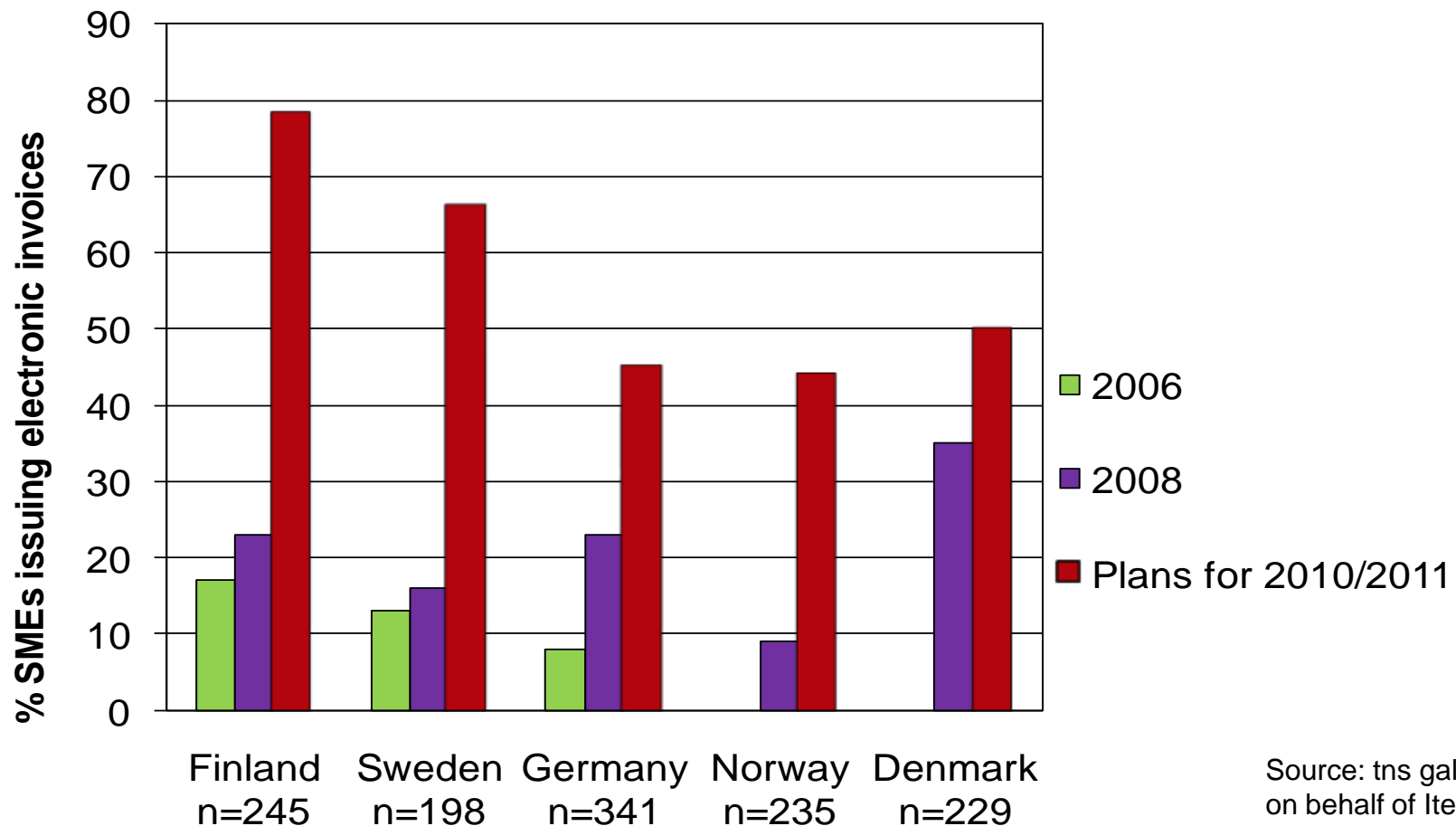
## **Expectation for 2009, every day**

- 1,200 businesses
- 11,000 consumers

will become new E-Invoicing users

# SMEs as new E-Invoicing users

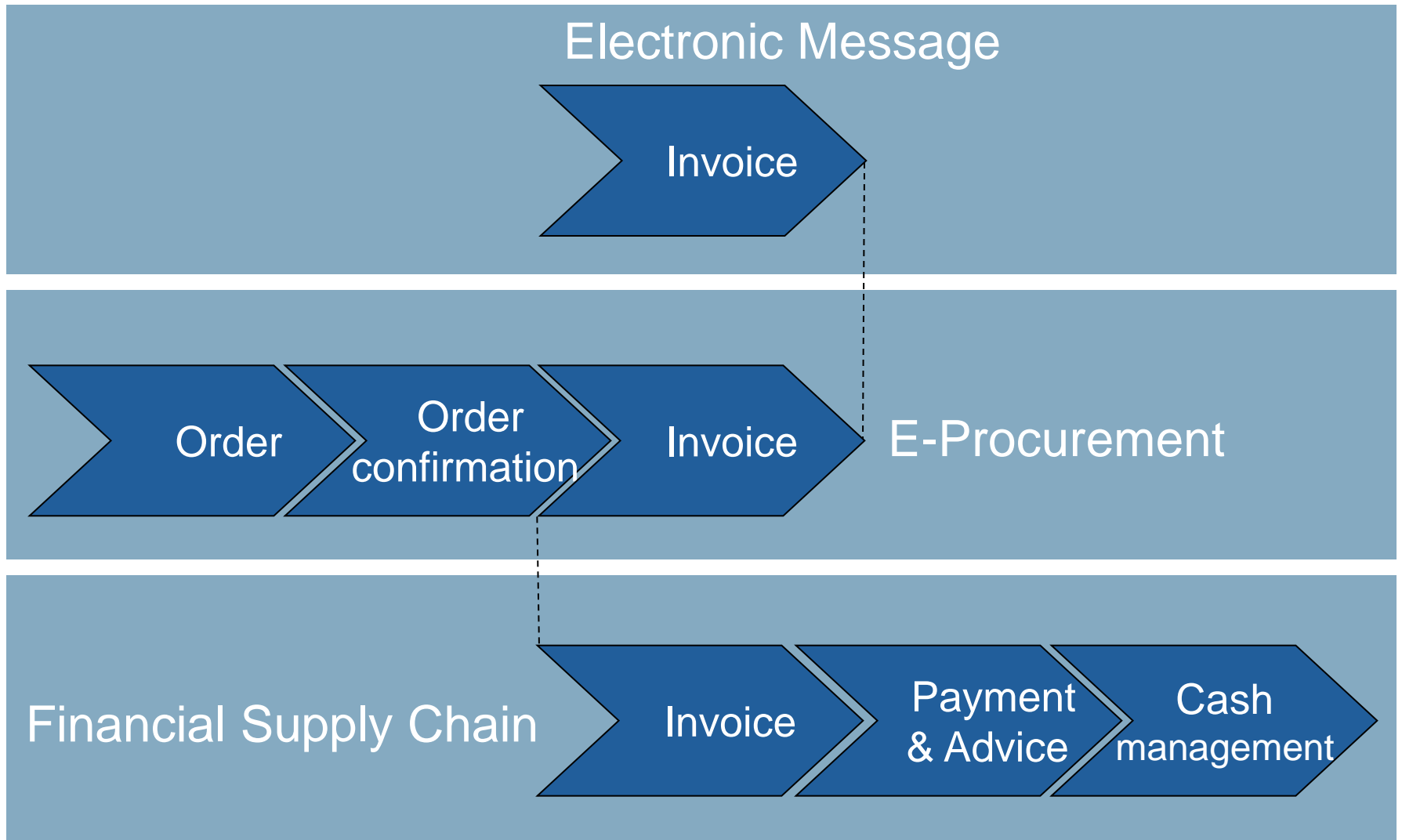
## E-Invoice usage of small/mid-sized senders



Source: tns gallup  
on behalf of Itella, 2008

- Recession and the resulting pressure for cost reduction; interesting business case for users
- Private sector
  - Large issuers and recipients
  - Providers with their rich offerings of applications and services
- Public sector
  - Projects on national level, declaring E-Invoicing as mandatory
  - Projects on EU level
    - Developing pilots which can be adopted by others
    - Pushing harmonisation
    - Pushing standardisation
    - Pushing interconnectivity among service providers

# Project focus of E-Invoicing users

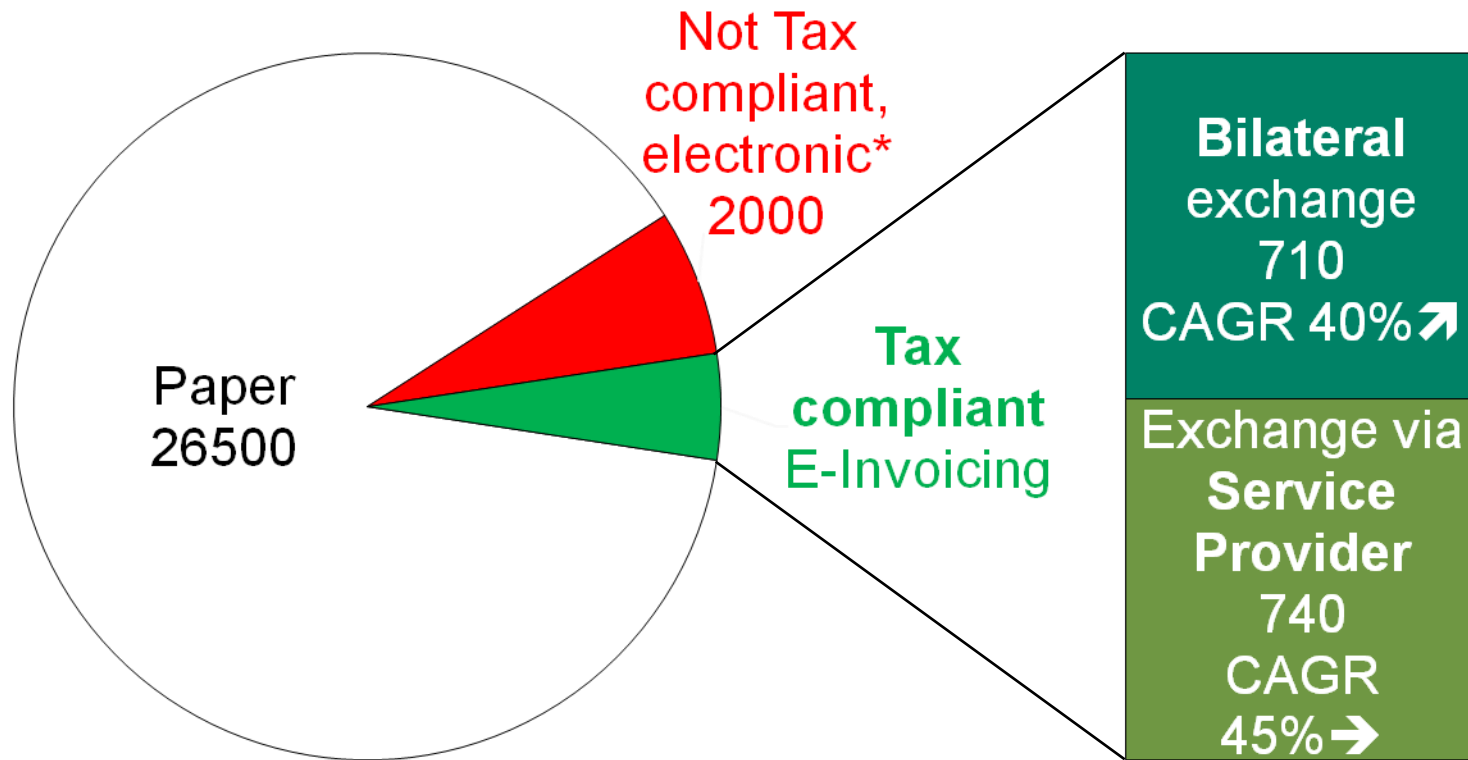


# Solutions Services Providers

# European Invoice exchange 2009



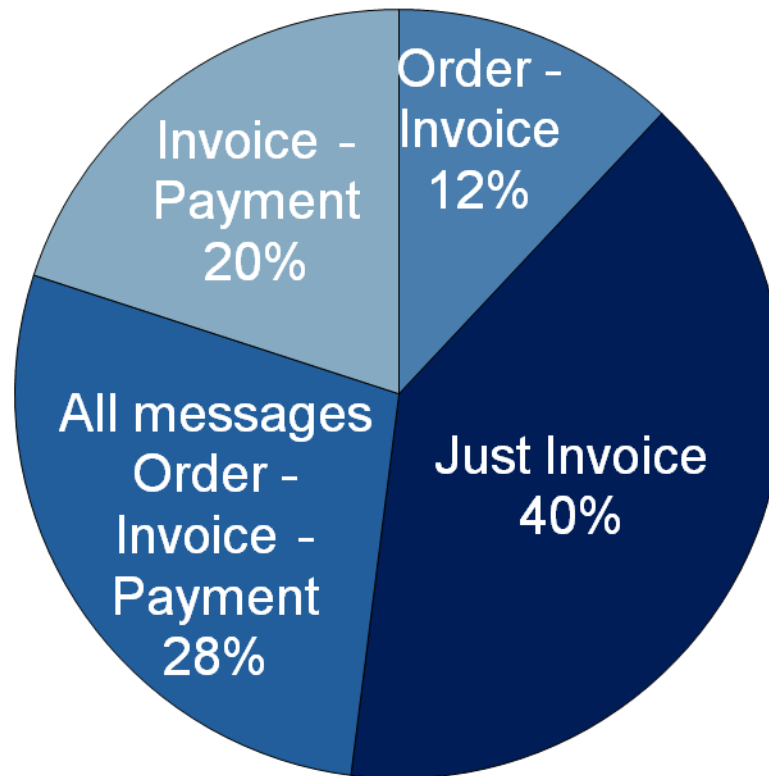
Figures in millions, includes B2B & B2C volume



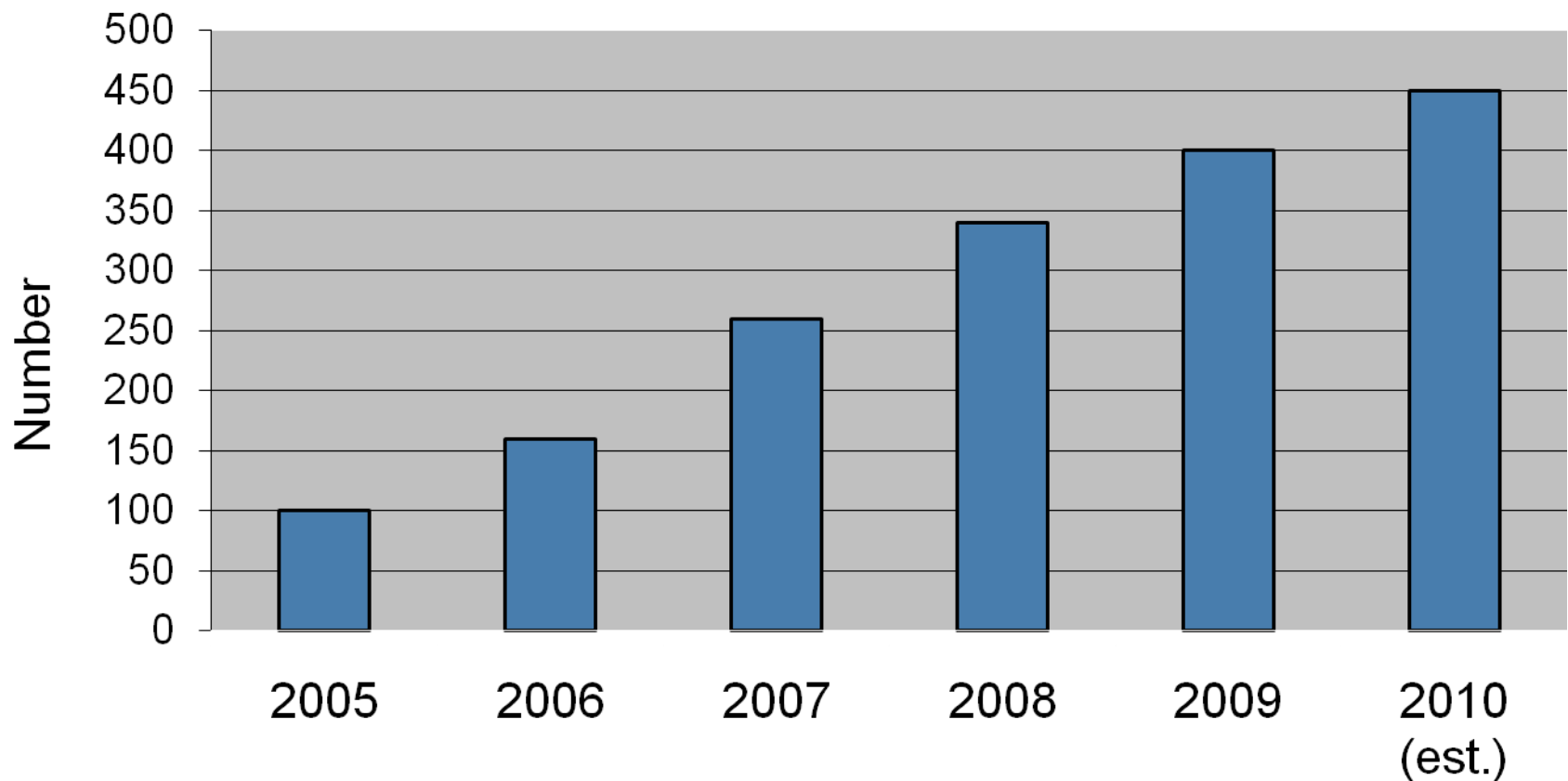
\*) Missing Authentication and/or Integrity, typically as a result of too pragmatic users practising bilateral exchange  
Other reason: Electronic original deleted and just copy (electronic or printed) is archived  
Volume estimated by Billentis, based on results of surveys in Austria and Spain and experience of consulting mandates



## Which electronic messages are offered by European consolidators?



## Increase of e-Invoicing Operators



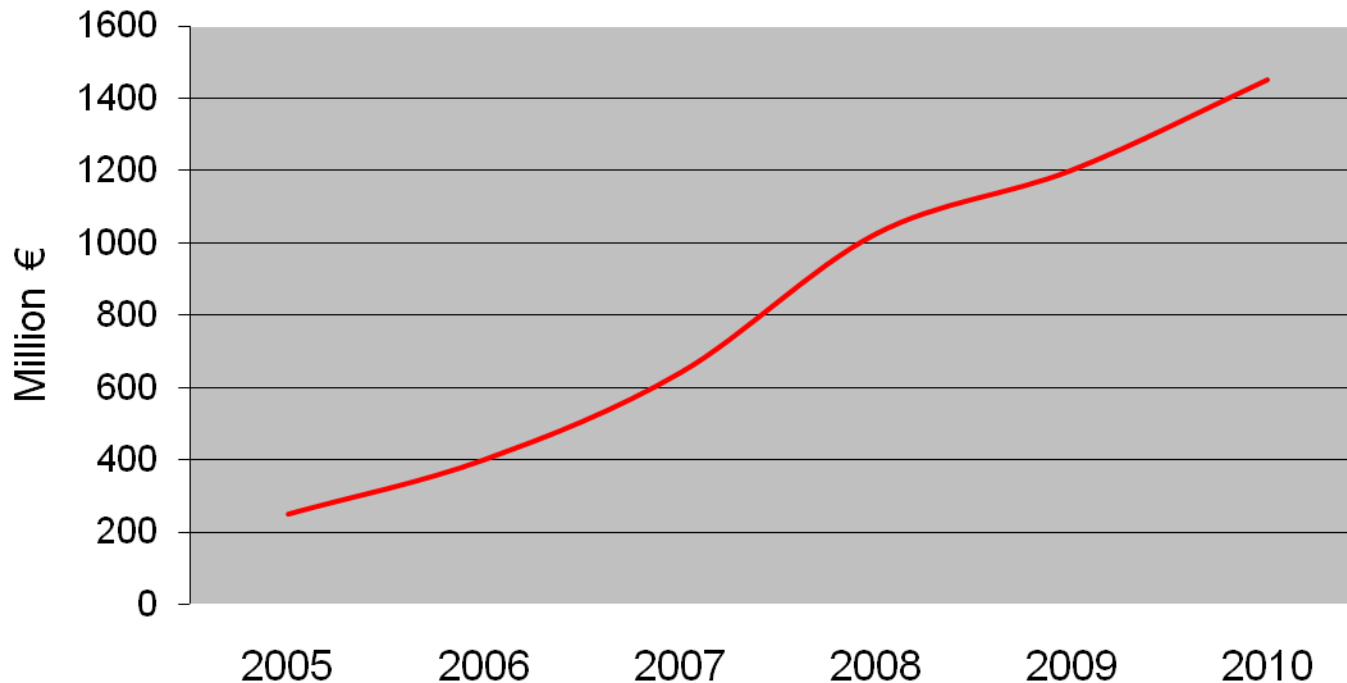
# Service provider landscape Europe



- End of 2009: close to 400 Operators (340 in 2008)
- In average, every month 1 disappears and 6 new ones appear
- Exploding number of solution providers in markets with government programs, e.g. Spain, Sweden, Holland, ...
- Operators with E-Invoice volume > 20 millions p.a.
  - Cegedim
  - b-process
  - EDB
  - PROGRATOR|gatetrade
  - Logica
  - Anachron
  - BBS
  - Tieto
  - SETTCE
  - Medidata

# Outlook for solution/service providers

European 3<sup>rd</sup> party e-Invoicing revenues (E)



2009: Negative impact of Investment Freeze, mainly just increase of transaction revenues & time based fees of new suppliers

2010: Big investments as in the past likely avoided and initial investments outsourced (→ SaaS)

- Third party billing services
- Letter shops
- Postal organisations
- Message exchange platforms
- Electronic market places
- Signature service providers
- ASPs and hosting providers
- Portals/ISPs with or without payment functionality
- Scanning & invoice management providers
- **Banks or their shared service centers**
- Payment service providers
- Collecting and factoring companies
- Archive service providers

## **In all countries**

- Secure access portal for internet-banking including EBPP functionality
- Easy payment via mouse-click

## **In nordic countries, Holland, Germany and Austria**

- Presentment of electronic statements (e.g. salary statements, registered mail)

## **In all countries**

- Secure access portal for internet-banking including EBPP functionality; used by some SMEs in the same sense like consumers
- Easy payment via mouse-click

## **In some nordic countries**

- Secure portal for entering and receiving E-Invoices (mainly used by SMEs)
- Consolidator services

## **New banking initiatives (corporate departments)**

- Combined services around cash management

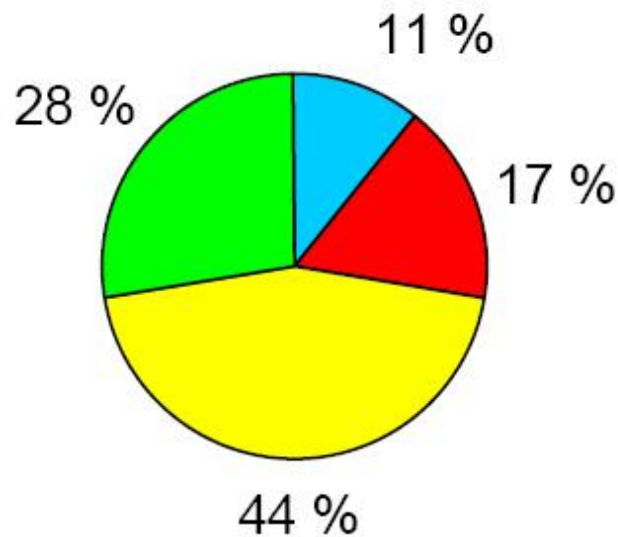
# Interconnection leverage in Finland

## Banks:

Osuuspankki,  
Nordea, Sampo

## Operators:

Basware, Elma,  
Enfo,  
TeliaSonera,  
TietoEnator,  
VM-Data



■ Bank to Bank invoices

■ Operator to Bank invoices

■ Operator to Operator invoices

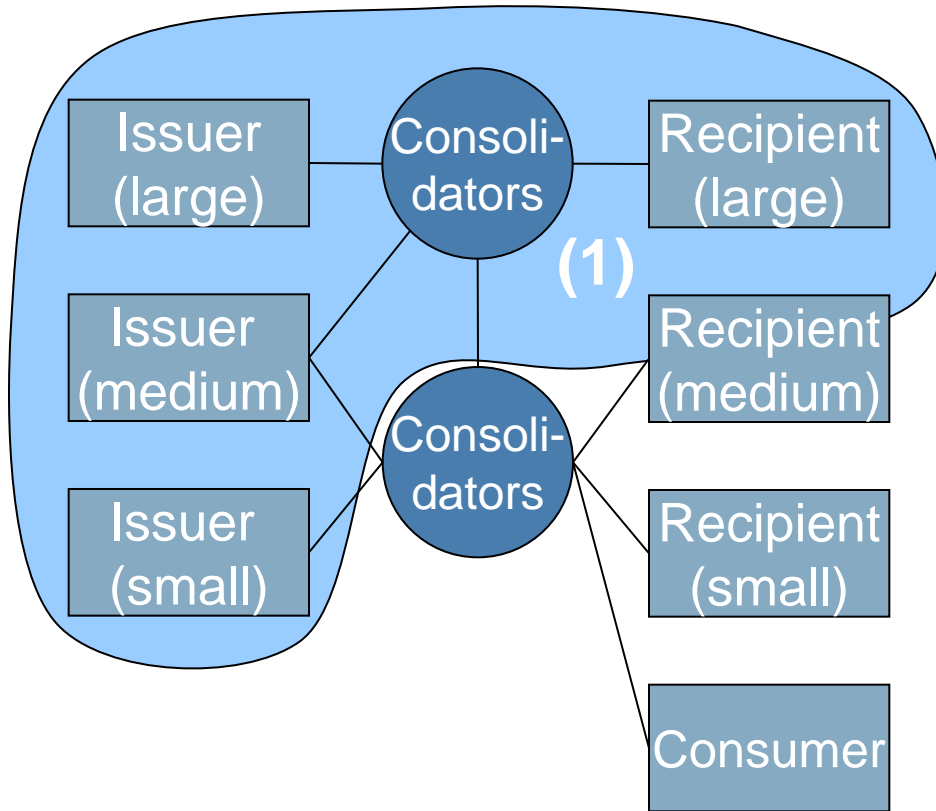
■ Bank to Operator invoices

Source: Kareltex

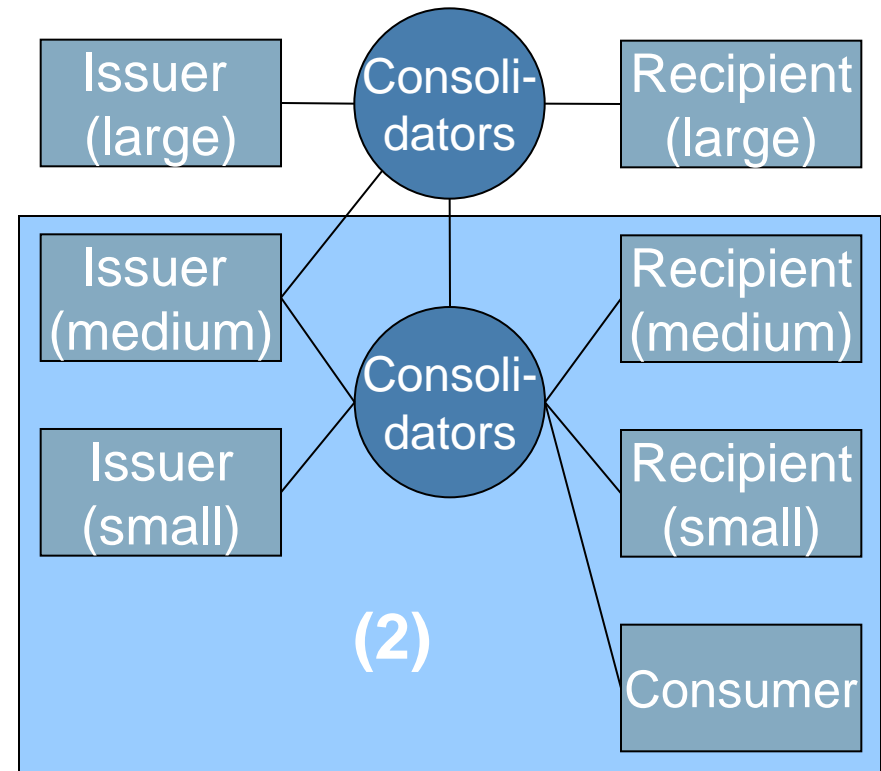


# Complementary services covering all sizes of organisation in a Nordic country

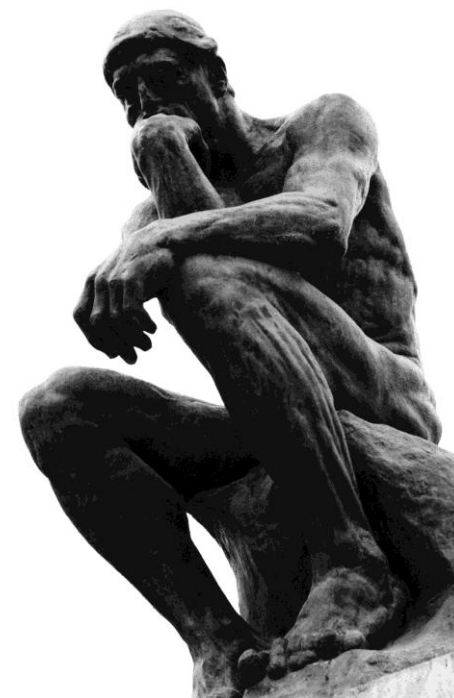
## Non-bank consolidators (1)



## Bank consolidators serving SMEs (2)



*Are you still waiting and  
thinking about E-Invoicing?*



Bruno Koch  
Billentis  
[www.billentis.com](http://www.billentis.com)  
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- Highly specialized consulting company: E-Invoicing, optimisation of Purchase-to-Pay and Financial Supply Chain; More than 130 customers in 30 countries
- Market analyst; issuer of market reports and newsletters
- Founder & Chairman of the international conference “European EXPP Summit” [www.expp-summit.com](http://www.expp-summit.com)
- Member of European Commission Expert Group on E-Invoicing
- Company founded in June 1999
- Owner: B. Koch (8 years PwC, 4 years Credit Suisse, 2 years Telekurs PayNet)

- Awareness, strategy and know-how workshops
- Feasibility studies; location of potential and involved business fields
- Identification of business opportunities
- Development of strategy and business plans
- Definition of RFPs, incl. country characteristics and the most suitable billing model
- Formulation of marketing and distribution strategies
- Networking, Mergers & Acquisitions
- Project management/support as far as up-and-running service
- Procedure documentation (legal requirement)