European Committee for Standardization
Comité Européen de Normalisation
Europäisches Komitee für Normung

E-Invoicing

European overview of proven practice

3rd eBIF Conference,
15/16 Nov 2007,
The Netherlands

Bruno Koch

E-Invoice – just a common message?

Billentis

STREAM A

Led by André Hintermann, CONCEPTAS

11:30 INVOICE - THE QUEEN OF MESSAGES

- Demanding requirements of a multinational group
- Only focus on the electronic invoice or a big bang with closed electronic loop for all relevant messages?
- Make or Buy
- Challenges in the implementation and how to solve them - first experience

Ralf Kahre, Senior Manager e-solutions,
BASF AG, Germany

12:00 E-INVOICING - THE FUTURE

- Evolution from E-Statement Presentment to E-Invoicing
- How to persuade customers
- E-Invoicing for cost reductions on issuer and recipient side
- E-Invoicing as a marketing instrument

David Byrne, Sales Support and Marketing,
Stena Line Freight, Republic of Ireland

STREAM B

Led by Bruno Koch, Billentis

11:30 E-INVOICING OPERATORS' FORUM (PART 1)

(access restricted to E-Invoicing operators)

- Experience and perspective with international interconnection of networks
- Hear and discuss the stories and visions of
  - B2BE
  - TietoEnator

12:00 E-INVOICING OPERATORS' FORUM (PART 2)

- Meeting point: Search and find your future roaming partner

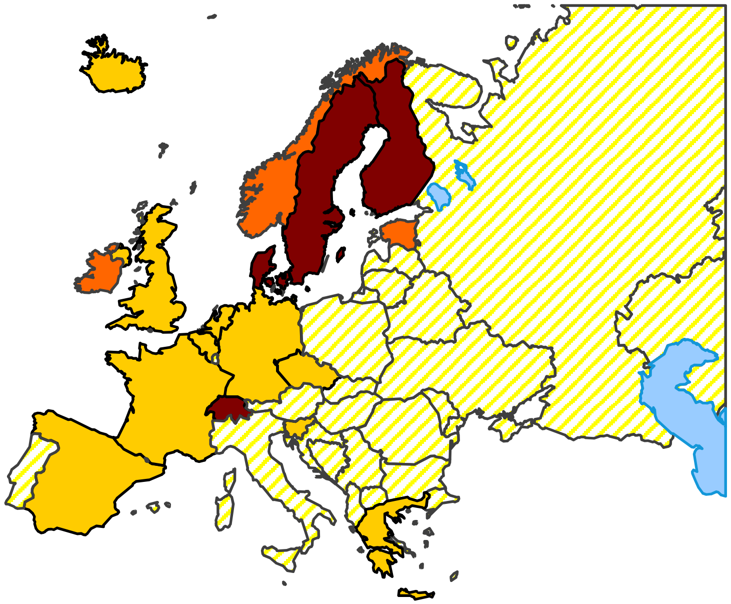
E-Invoicing & EBPP market figures

Europe	2006	2007 (E)
Participants	350,000 corporates 14.8 million consumers	630,000 (+80%) 18.6 (+25%)
Electronic vol. only – B2C – B2B	490 million – 250 – 240	710* (+45%) - 290 (+16%) - 420 (+75%)
# Service providers	160	260 (+60%)

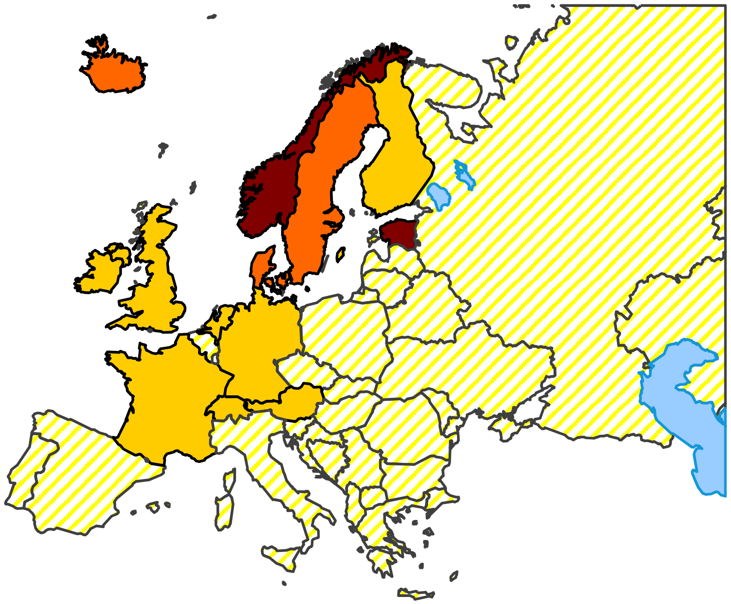
*) Roughly 400 million EDI invoices accompanied 1:1 by paper summary invoices not considered

Market penetration 2007
(electronic share of total volume of 29 billion)

B2B



B2C



>10% | 3-10% | 1-3% | <1%

Success criteria for market penetration

- Size of countries and its awareness for new technology

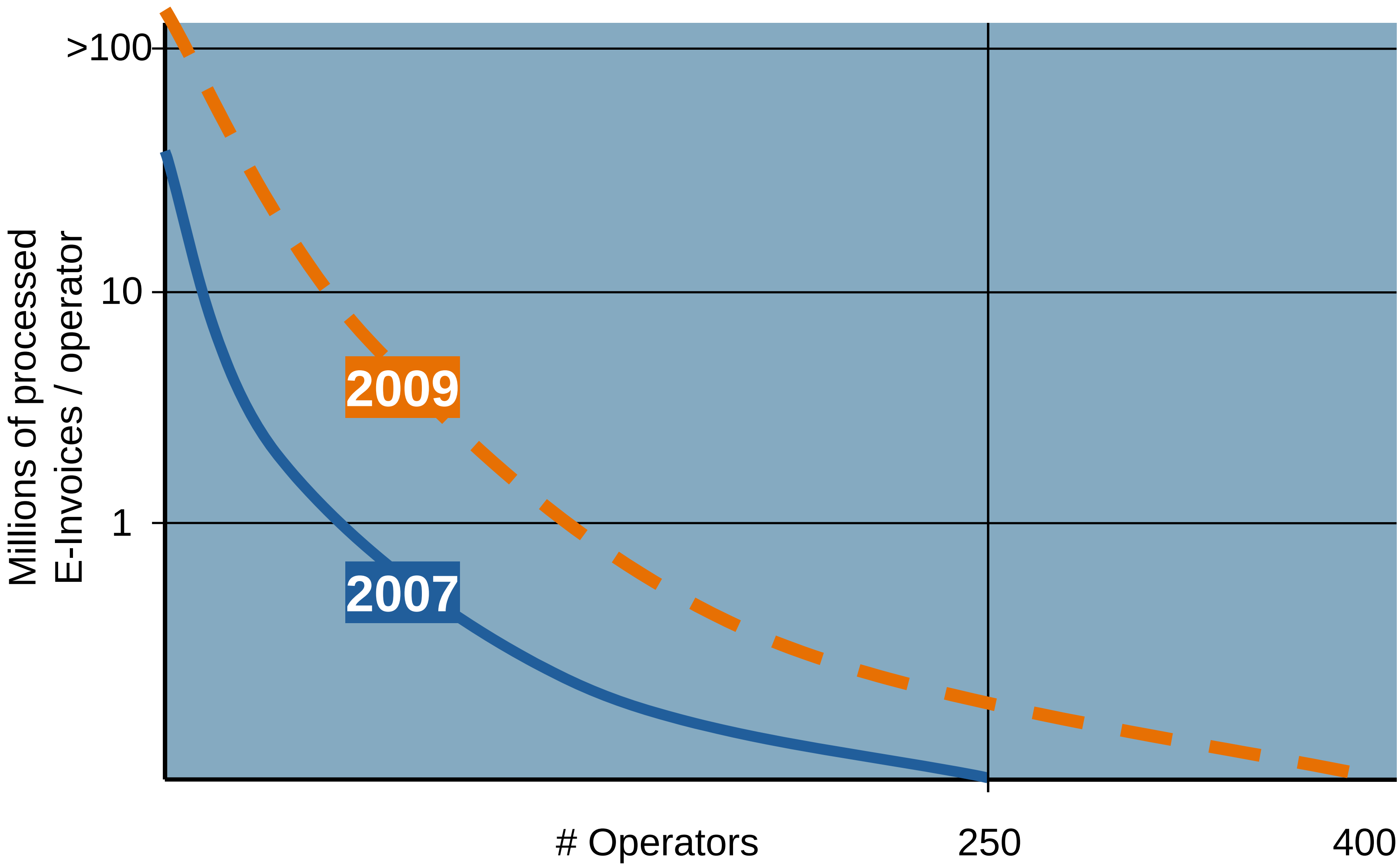
- Governmental initiatives resulting in
  - Pressure to do it
  - Trust for this paperless channel

- Roll-out method of suppliers & buyers (opt-out/opt-in)

- Service offerings with easy and economical access including any-to-any data formatting

- High competition among the service providers (e.g. 10+ in small markets like Finland & Switzerland)

European E-Invoicing consolidators/operators and volume of processed E-Invoices

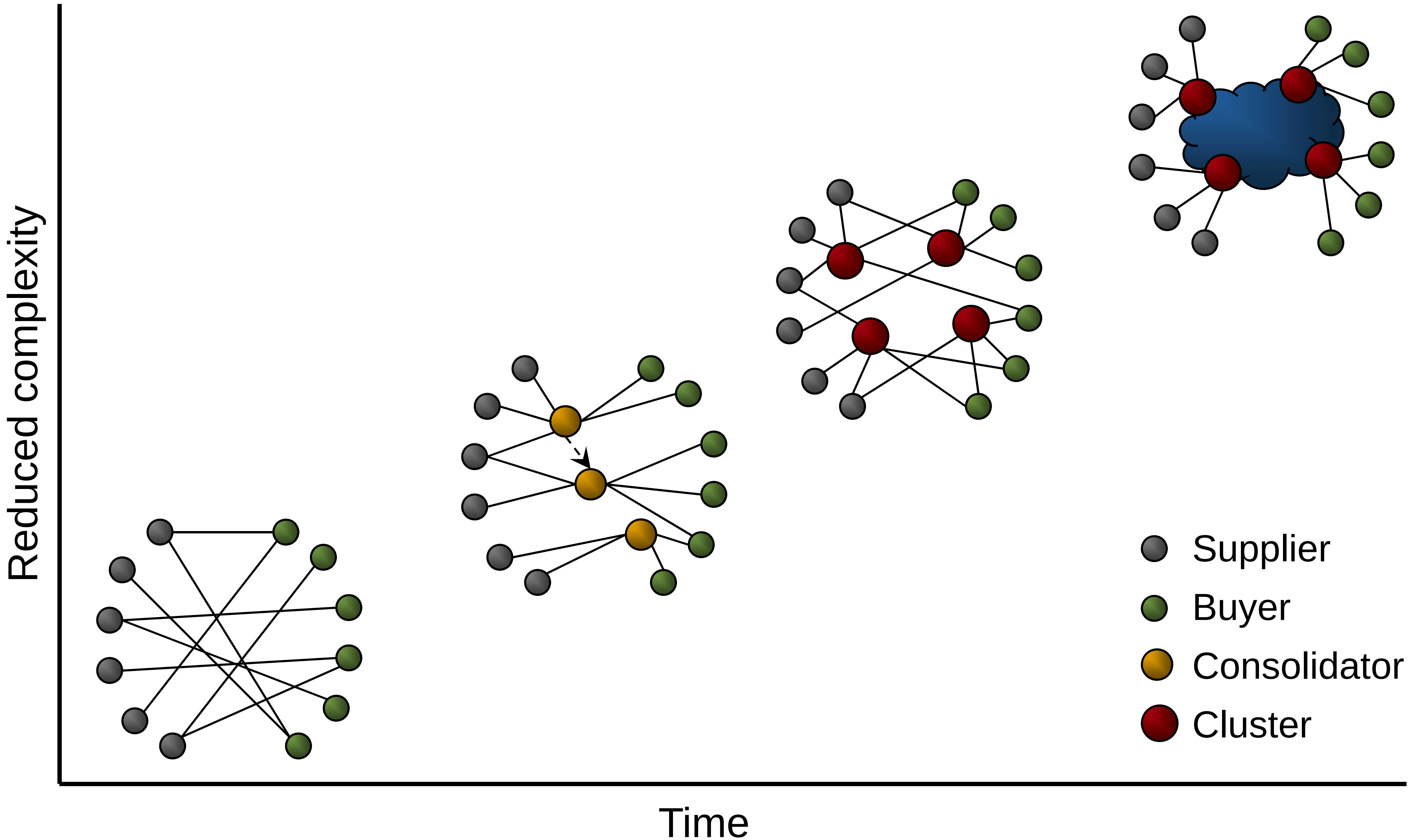


Challenges for the E-Invoicing market

- Dozens of countries, languages and regulations
- Relatively fragmented landscape with 23 million small and medium size enterprises (SMEs) and thousands of different ERP systems
- Standards as enabler
  - 35-38% of todays' volume is based on standards
  - Some E-Invoicing country standards: Austria, Belgium, Denmark, Finland, Italy, Spain, Sweden, Switzerland
  - International standards or subsets
- International end-to-end service offering with a single-point-of-contact for invoice issuers and recipients

E-Invoice interoperability

Evolution or innovation?



Some E-Invoicing clusters

- **Domestic connections in Belgium, Denmark, Finland, France, Germany, Norway, Sweden, Switzerland**
- **Cross-border, up-and-running**
  - Hub Alliance
  - PayNet – Deutsche Post
  - Player from Nordic countries
- **Planned**
  - eInvoicing community (Itella, OB10, TietoEnator)
  - others
- **Supplier and buyer clubs**
  - OFS portal

Finnish E-Invoicing roaming landscape

Yhdysliikenne taulukon versio 1.0. (7.11.2005) päivittyy ja tarkentuu jatkuvasti.

Verkkolaskut

välittyvät

In operation

In test

Receive E-Invoices from

Send E-Invoices to	Anilinker	Basware	Elma	Sampo	Nordea	Enfo	TietoEnator	WM-Data	Osuuspankki	TeliaSonera	C3i	Elisa
Anilinker	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In test	In test	In operation
Basware	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In test	In operation	In operation
Elma	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In operation		In operation
Sampo	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In operation	In operation
Nordea	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In operation	
Enfo	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation		In operation	
TietoEnator	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In test	In operation	In operation	
WM-Data	In operation	In operation	In operation	In operation	In operation	In operation	In operation	In operation		In operation	In test	In operation
Osuuspankki	In test	In test	In test	In operation	In operation	In operation	In test		In operation	In test	In operation	In test
TeliaSonera	In operation	In operation	In operation	In test	In test		In operation	In operation	In test	In operation		In operation
C3i	In test	In operation	In operation	In operation		In operation	In operation	In test	In operation		In operation	
Nämä operaattorit käyttävät yhteistyökumppaneita palveluidensa tuottamisessa asiakkailleen												
Elisa	In operation	In operation	In operation	In operation				In operation	In operation	In operation		In operation

Source: Tieke

Roaming leverage in Finland

Banks:

Osuuspankki, Nordea, Sampo

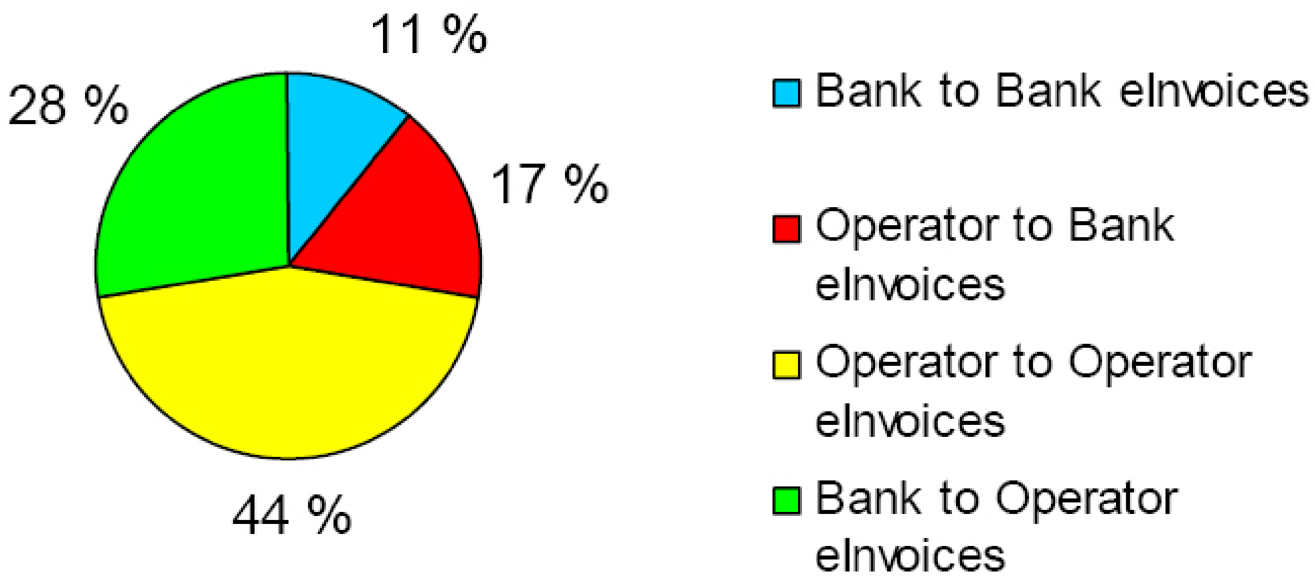
Operators:

Basware, Elma, Enfo,

TeliaSonera,

TietoEnator,

VM-Data

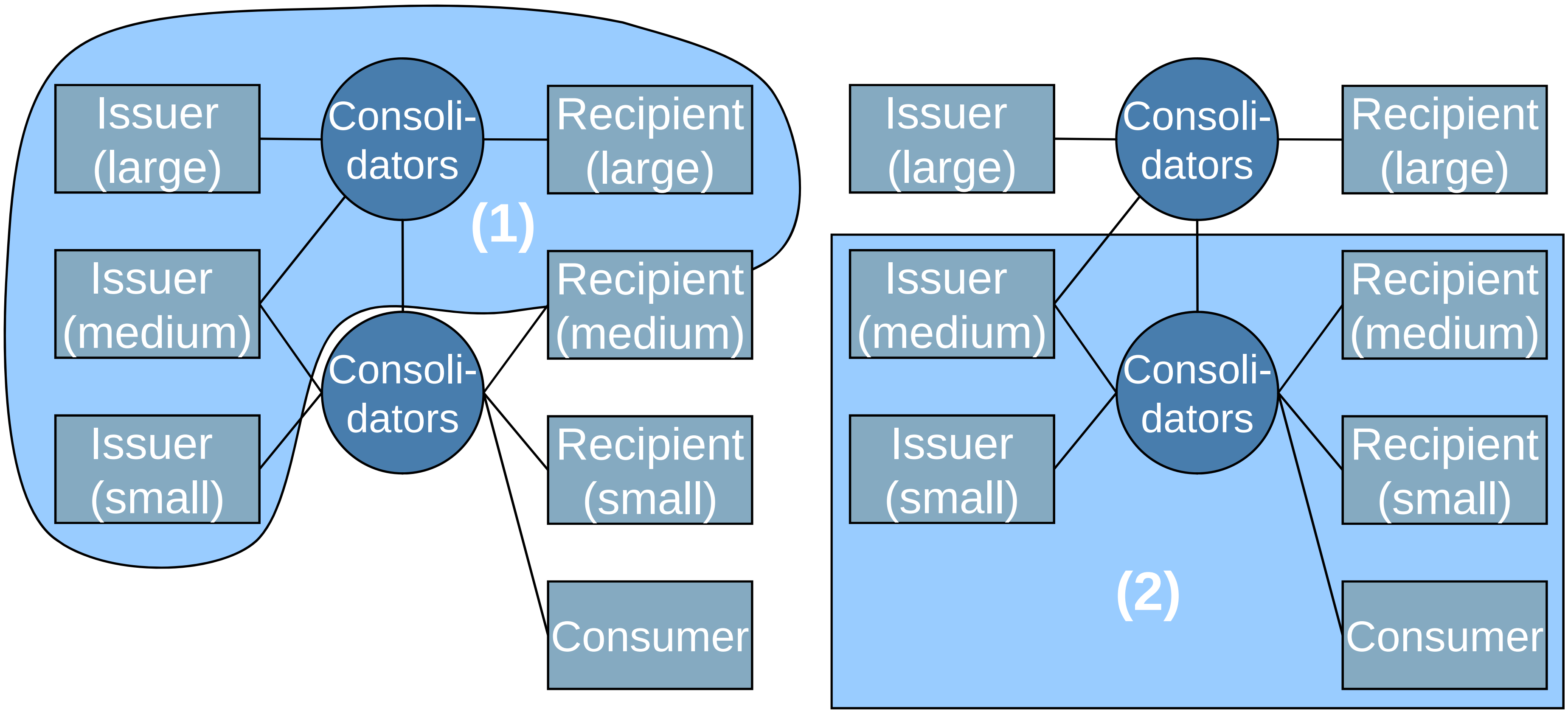


Source: Kareltek

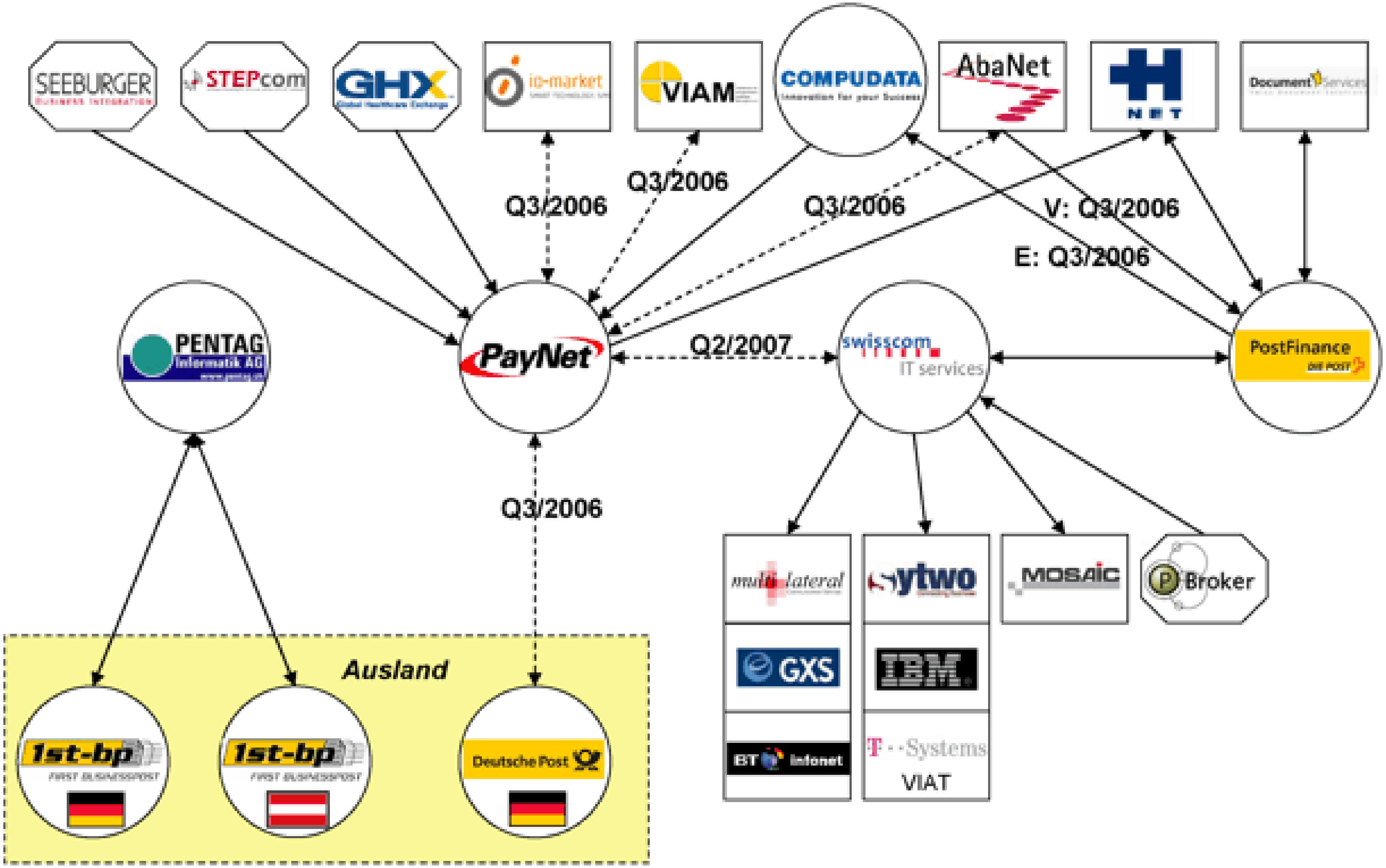
Complementary services covering all sizes of organisation in a Nordic country

Non-bank consolidators (1)

Bank consolidators serving SMEs (2)



Swiss E-Invoicing roaming landscape



Source: http://www.swissdigin.ch

Current interoperate basis

- **Message standards**
  - Domestic standards, e.g. Finvoice/Finland, swissDIGIN/Switzerland
  - International standards, e.g. Twist for Huballiance
  - Future?
- **Use of same operator technology, e.g. PayNet, Deutsche Post, Deskom, Victor Buck**
- **Bilateral connections (any-to-any data formatting)**

Interoperability - Obstacles and Questions

- Investments in interoperability and business case
- Operators with any-to-any-data-formatting services have lower pain to push interoperability then the many small and local players
- Just invoices or any other messages? If yes, which ones?
- Content of messages? Standard? If yes, which one?
- Unique entity identifier
- Law & regulations, especially for cross-border invoices
- Architecture for interoperability: any-to-any connections or chains
- Public user directory like in Finland?
- Pricing
- Contracts and SLAs
- (Too) many working groups are covering some components from above

Fact: The market demand is there – today!

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Customer 1

- Multinational company
- Strong buyer position
- Several large and medium sized suppliers
- Roll-out plan
  - 6 countries within 2 months
  - Further 15 in next 2 months
  - Remaining 40 countries in following 2 months

- Short list of providers
  - Very few

Customer 2

- Multinational company
- Weak buyer position
- Some large and 4,500 medium and small sized suppliers, no fees accepted
- Roll-out plan
  - Quick 100% solution for suppliers in 50+ countries

- Short list of providers
  - 1

Conclusions

- Government initiatives will accelerate the market development
- Initiatives & working groups should consider that E-Invoicing is already up-and-running for quite a while; It is estimated that revenues of 3rd party providers will achieve already € 1 billion in 2008
- Todays' key players have to be convinced for active support of new frameworks, standards etc.
- Standards/frameworks build a good base, but finally powerful stakeholders are relevant to bring it alive

Questions?

Bruno Koch

+41 71 911 60 32

www.billentis.com

Appendices

About Billentis

- Highly specialized consulting company (E-Invoicing, optimisation of Procure-to-Pay and Financial Supply Chain)
- Founded in June 1999
- Owner: B. Koch (8 years PwC, 4 years Credit Suisse, 2 years Telekurs PayNet)
- More than 100 customers in 20 countries
- Issuer of a European market report
- Issuer of a quarterly newsletter (40+ countries)
- Founder of the European EXPP Summit, www.expp-summit.com

Services: consulting & project management

- 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
- Network and build strategic alliances
- Formulation of marketing and distribution strategies
- Project management/support as far as up-and-running service
- Procedure documentation (legal requirement)