Electronic Bill Presentment & Payment

Electronic Invoice Presentment & Payment

Electronic Statement Presentment

Electronic eXchange

E-Billing

E-Invoicing

ExPP®

Billentis

Bruno Koch, Founder

* **Welcome** * Hoşgeldiniz * Boa vinda * Benvenuti * Velkommen * **Bienvenido** * **Welkom** * Bem-Vindo * здравствулте * Välkommen * **Herzlich Willkommen** * Tervetuloa * υποδοχή * **Witamy** * Üdvözöljük * **Bienvenue** * Vítejte * Vitajte * Bine ati venit * Isten Hozott * Fàilte * Tervetuloa *

…to delegates from these countries:

* USA * **France** * Chile * **Spain** * Croatia * **Denmark** * **Mexico** * Norway * **The United Kingdom** * Costa Rica * Portugal * **Switzerland** * Russia * Slovakia * **Finland** * Bulgaria * Greece * **Germany** * Ireland * Czech Republic * **Poland** * Austria * **Sweden*** Slovenia * Hungary * Luxembourg * **Belgium** * Italy * **The Netherlands** * Estonia * Brazil * Romania * Canada * Australia * **New Zealand ***

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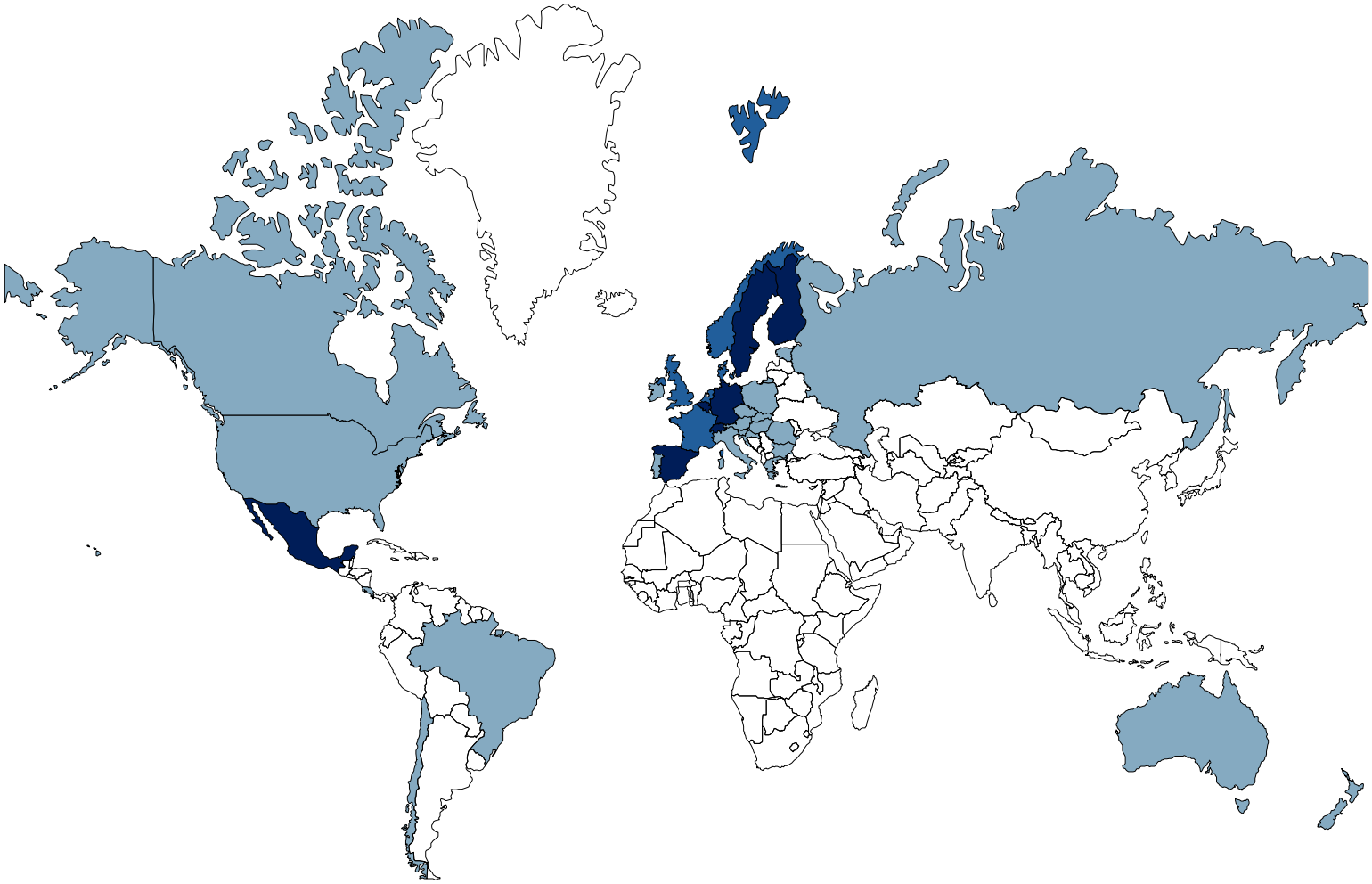
Summit 2011: Participants per country



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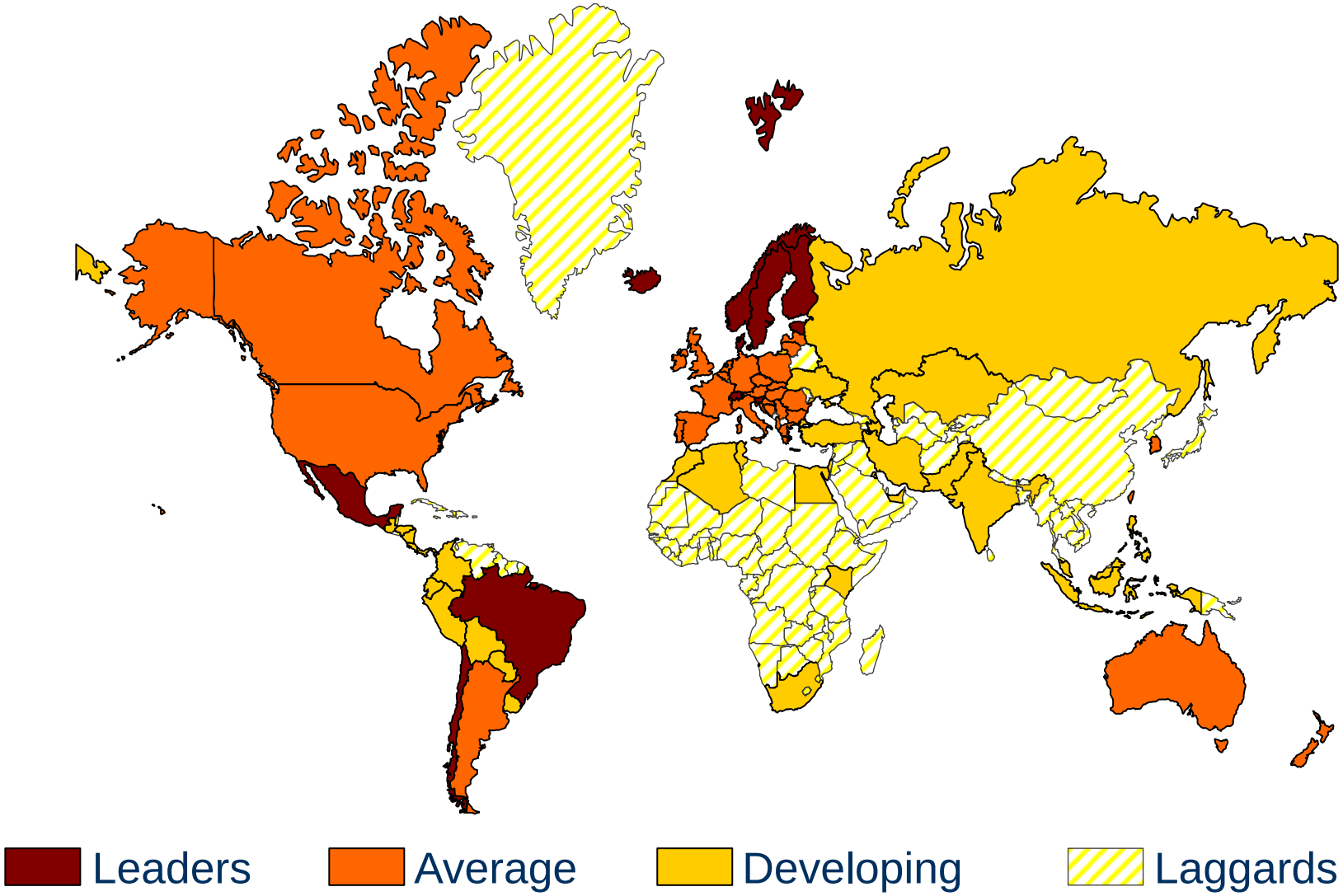
International E-Invoicing Market 2011



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Global E-Invoicing

- **Northern America**, CAGR of 23 – 27%
  - Payment and Procurement as the main drivers
  - Preference for direct exchange in B2B; 3rd party operators not very powerful compared to players in LATAM/Europe
- **Latin America**, CAGR of 50 – 500%
  - Very strict legislation
  - E-Invoicing pushed by public sector
  - Real-time audit
- **Asia/Pacific and Africa**
  - First steps with B2C E-Billing; B2B legislation missing in many countries for B2B; sometimes EDI supports paper invoices
- **Europe**, CAGR of 32 – 35%
  - Legal changes and harmonisation in progress
  - Coordinated projects (standardisation, promotion, …)
  - Relatively mature also for SMEs

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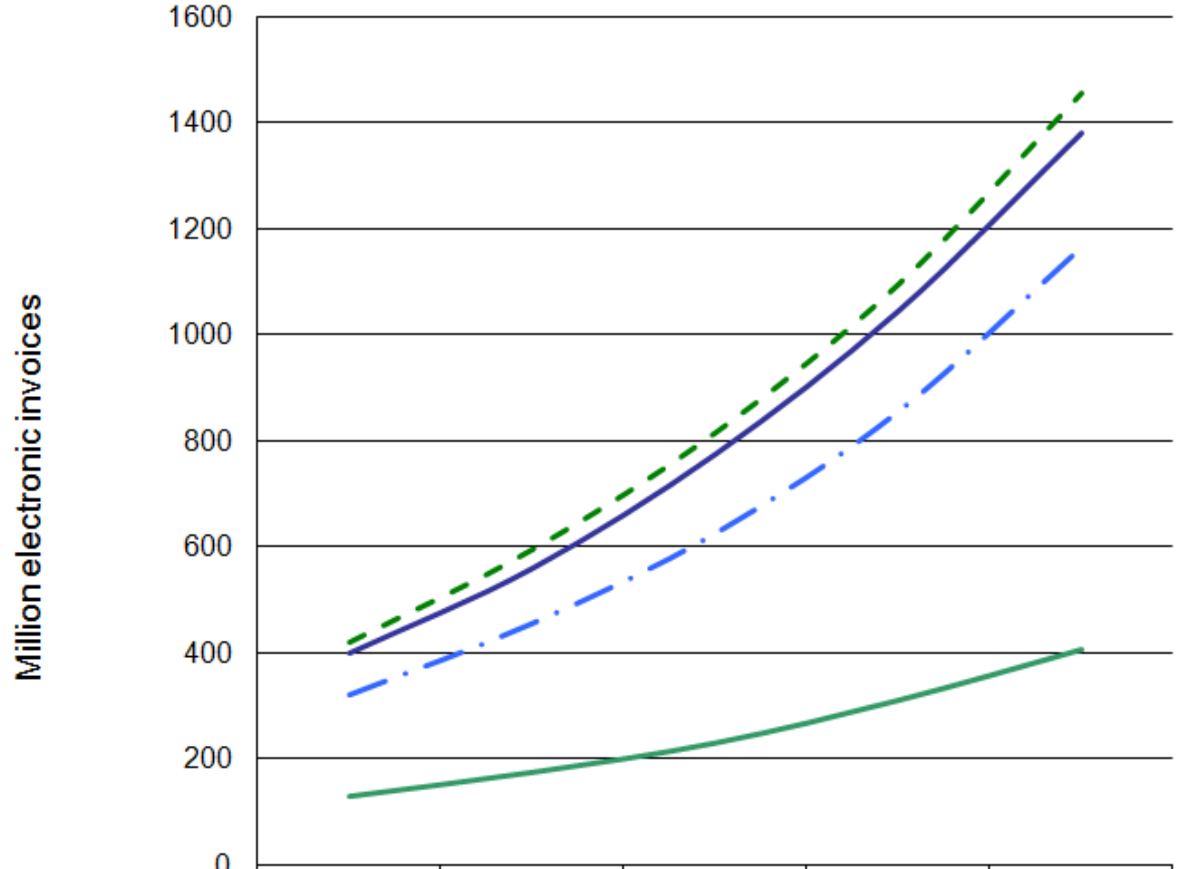
European Growth and Channels Used for Electronic Invoices, CAGR of 32-35%



	2008	2009	2010	2011 (E)	2012 (E)
B2C Biller Direct	420	595	815	1095	1455
B2C via Service Provider	130	175	230	310	405
B2B Supplier/Buyer Direct	320	455	625	855	1165
B2B via Service Provider	400	560	775	1045	1380

Source: Billentis

Very strict definition used for E-Invoicing:
Not considered are electronic invoice files which are not tax compliant or are just semi-electronic (supported somehow by paper)

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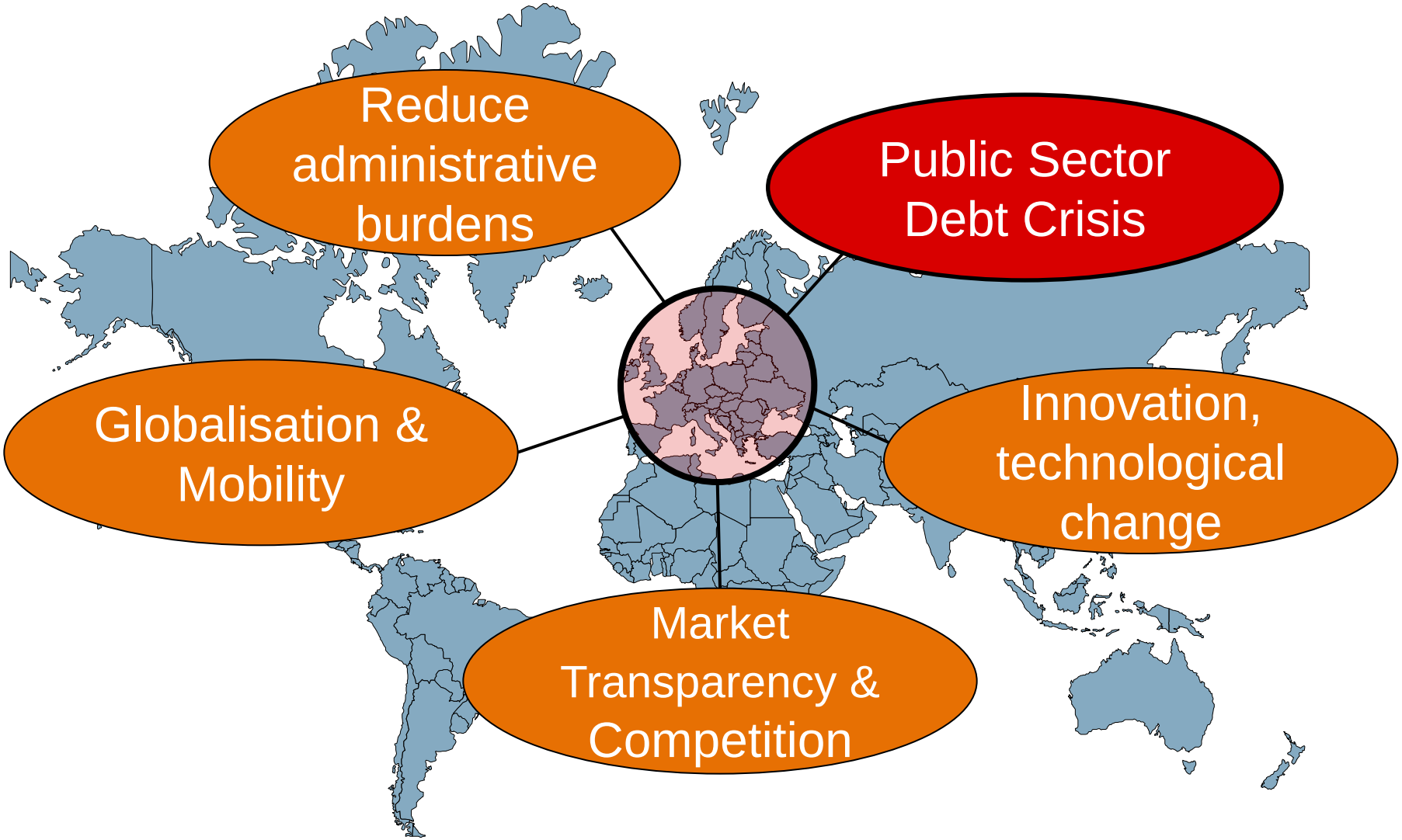
Some megatrends with global dimensions



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Main leverages to reduce public sector debts

- Optimise communication with tax payers and reduce communication costs (major part of most E-Government initiatives)
- Increase tax revenues
  - Increase competitive environment of the country and the Gross Domestic Product
  - Reduce fraud rate
- Reduce costs of administration
  - Cut jobs
  - Optimize process costs

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US Treasury Mandates Electronic Invoicing to Cut Taxpayer Costs, Improve Efficiency…

In support of President Obama's "Campaign to Cut Waste" across the federal government, the U.S. Department of the Treasury announced today that it is mandating that all Treasury Bureaus implement the Internet Payment Platform (IPP), an electronic invoice processing solution, by the end of fiscal year 2012.

Electronic channels and services substituting traditional ones…

U Postal Service nearing bankruptcy as email a minance

US Postal Service On Brink Of Bankruptcy

The United States Postal Service could shut down this winter without some emergency help from Congress.

Ideas For Saving USPS From Bankru

U.S. Postal Fears Bankruptcy This Winter

Various Sources in September 2011

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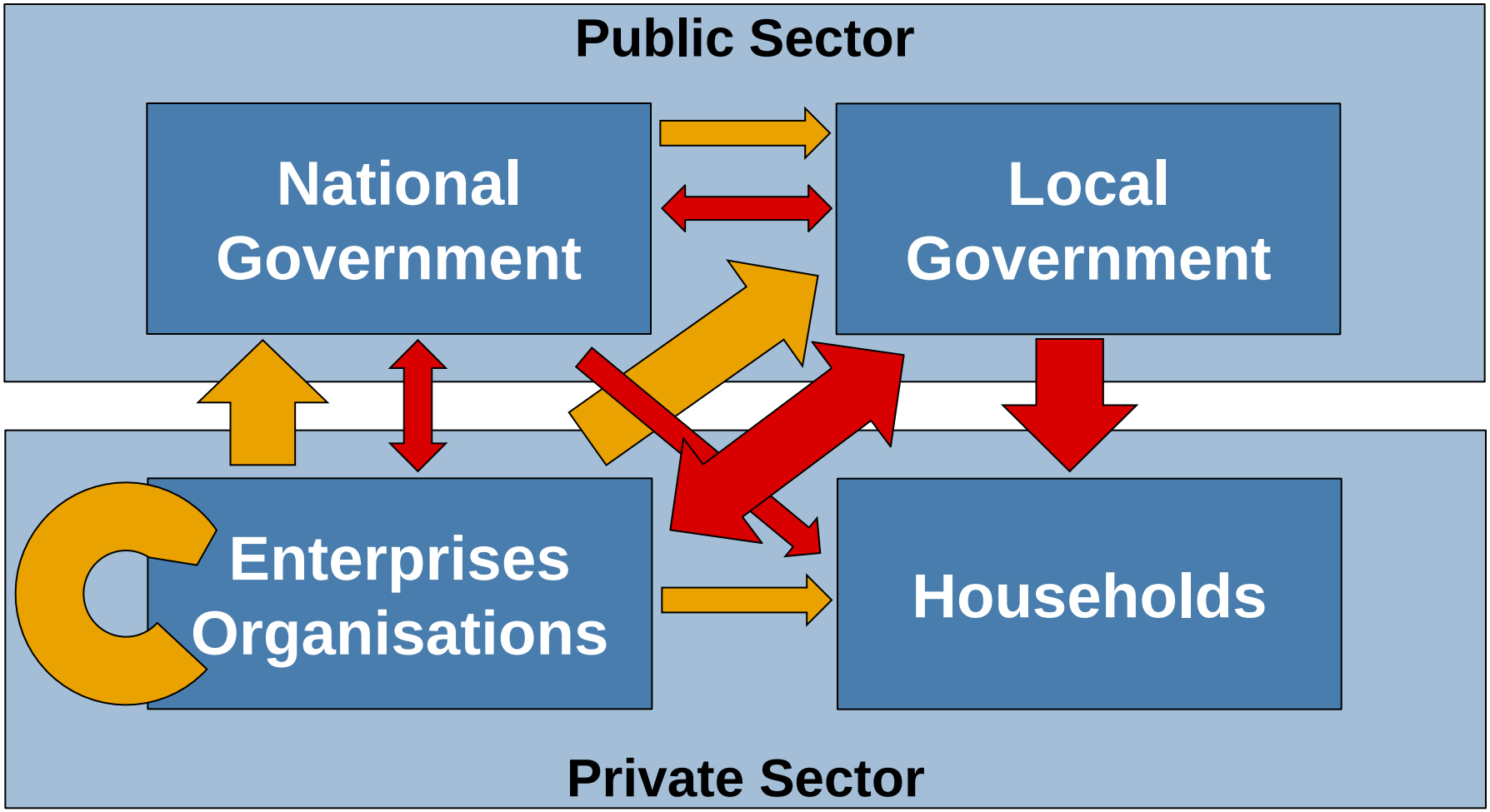
Public sector is responsible for 15-18% of all purchases in a country.

45-65% of all companies are suppliers for the public sector and send invoices to its administration.

100% of enterprises and households receive invoices from the public sector.

Areas with government influence



Legend: Legislation Invoice streams of public sector

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Extract of this years' Summit agenda

- E-Invoicing and impact of public sector
- Success stories for E-Invoicing and related topics
- Roundtables about standards and SME solutions
- Legal issues and interoperability of operators
- E-Invoicing Survey: Drivers and Barriers for SMEs

…and

- Large exhibition
- Lots of time to exchange your experiences with other delegates during the breaks and the
- Spanish-Style Dinner Event

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Chairman's Market Outlook

Global E-Invoicing trends

- **Legislation:** World is dividing into two groups
  1. EU Member States implement “Equal Treatment” as third method (without electronic signature)
  2. LATAM & Asia with obligation for electronic signature and the US with increasing popularity for it

- Market learned that **on-boarding** trading parties is a key issue, a major project and needs a budget

- E-Invoicing as a real-time or near **real-time audit** instrument for the government; aim to reduce the shadow economy (over-/under invoicing, deliverables not declared)

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More aggressive on-boarding methods

Classical evolutionary steps for shifting from paper to electronic invoices

1. Frank invitation by trading parties
2. More concrete reminder
3. Incentives for sending/receiving E-Invoices instead of paper
4. Pressure to only send/receive invoices electronically
5. Penalties for paper invoices
   ibi research survey 2011*: 13% of companies already use or intend to apply penalties; 40% of small companies practice E-Invoicing due to penalties for paper invoices
6. Obligation
   In private sector only possible to a certain extent
   Public sector privileged to declare E-Invoicing as mandatory

*Source: ibi research 2011, „Elektronische Rechnungsabwicklung – einfach, effizient, sicher – Teil III: Fakten aus der Unternehmenspraxis (www.elektronische-rechnungsabwicklung.de)“

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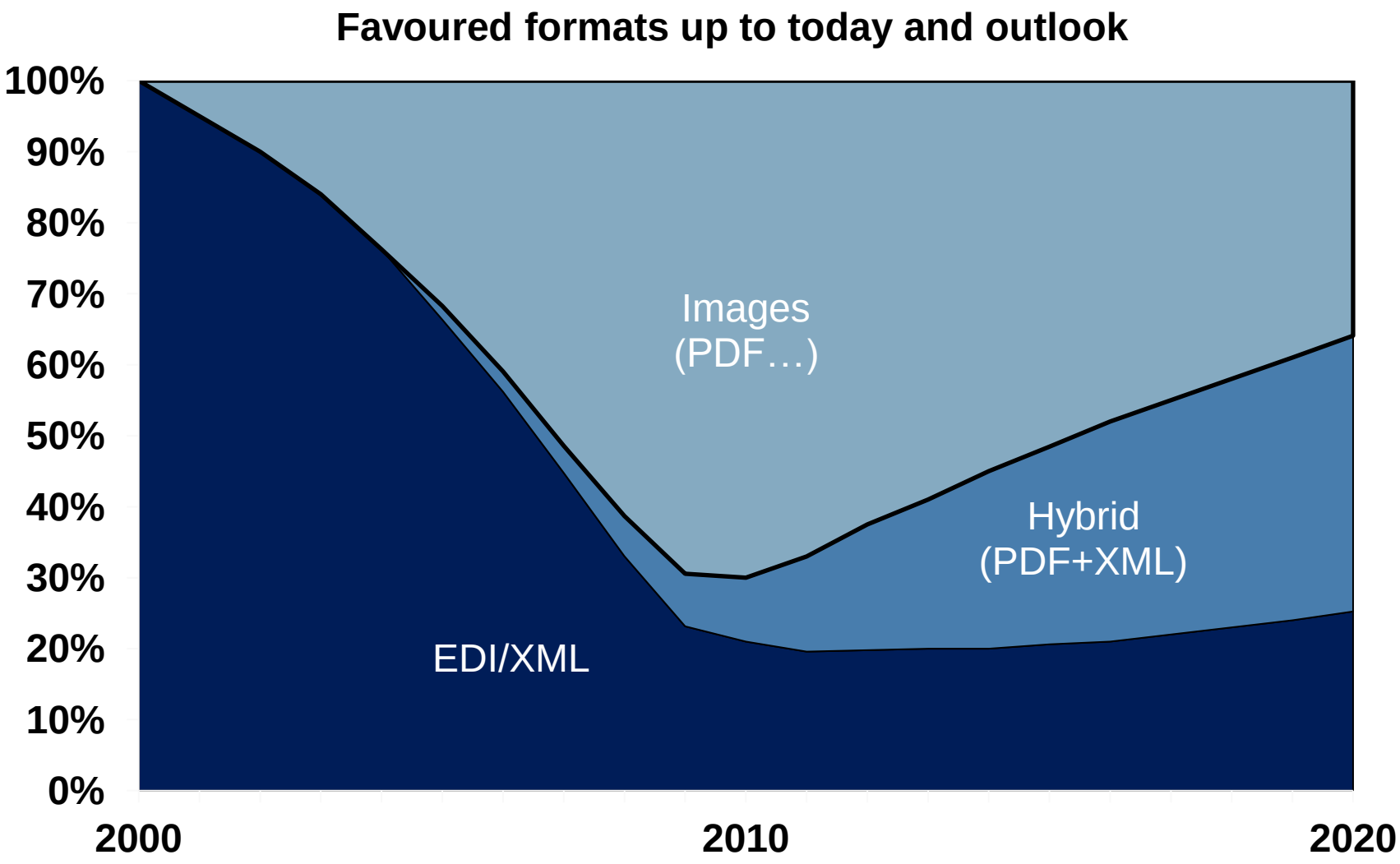
Expected shift of used formats and channels in Europe



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Expected development of service providers' transaction prices – critical mix of ingredients

Development in Europe up to today

- Price pressure by large recipients, but relatively stable situation for rapidly increasing number of mid-sized and smaller suppliers

New environment in 2012/2013 with major impact on prices

- Stagnating economy in some countries resulting in price pressure
- Passing 15% market penetration, significant increase of competition with 500+ service and 200+ application providers
- Improved financial situation of many service providers, giving them more room to reduce end-user prices
- New generation of providers can no longer be ignored: low-price strategy or free services (cloud-based, keyed-in in SE-Asia, …)
- Equal treatment likely favours a stronger growth of direct E-Invoice exchange among parties ("free" email attachments)

Price erosion is expected to accelerate, especially for invoice issuers.

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Expected changes in the European Service Provider landscape

- 60 additional operators expected in 2011
  - SME focussed providers
  - Providers in certain geographical regions: countries with government initiatives, such as France, Norway, Spain & Switzerland; others in Southern and Central/Eastern Europe
- Rapid internationalisation of offering
- Increasing co-operation among providers, interoperability for cross-platform message exchange
- Major consolidation expected regardless of the size of operator
  - Larger and profitable operators as main target of investors outside the E-Invoicing industry: DMS/ECM providers, IT giants, software houses, ERP providers
  - Sharply increasing pressure on others with less than EUR 3 million revenues to go international or be acquired

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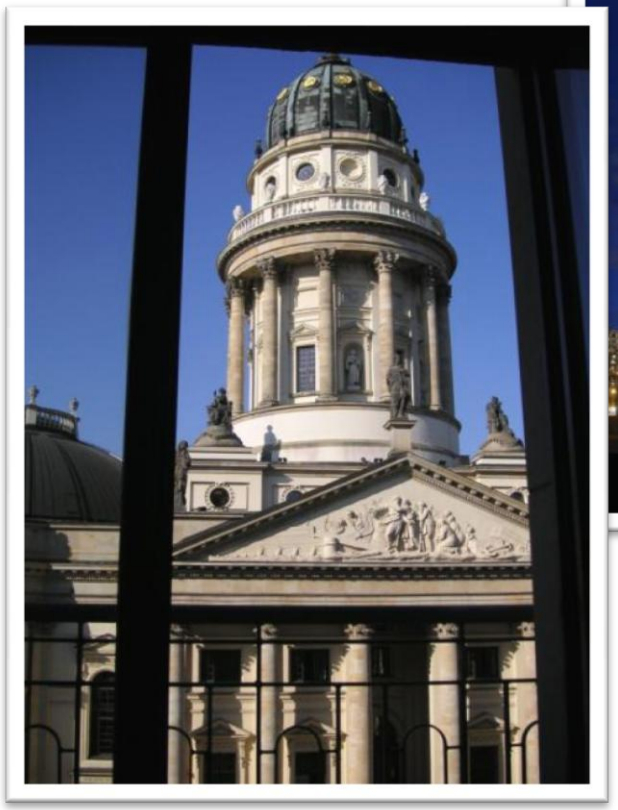
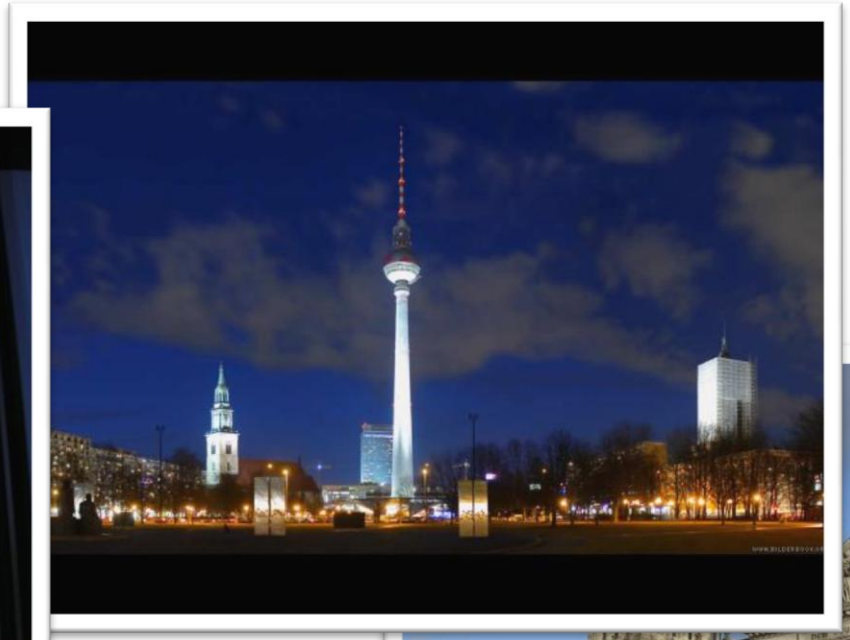
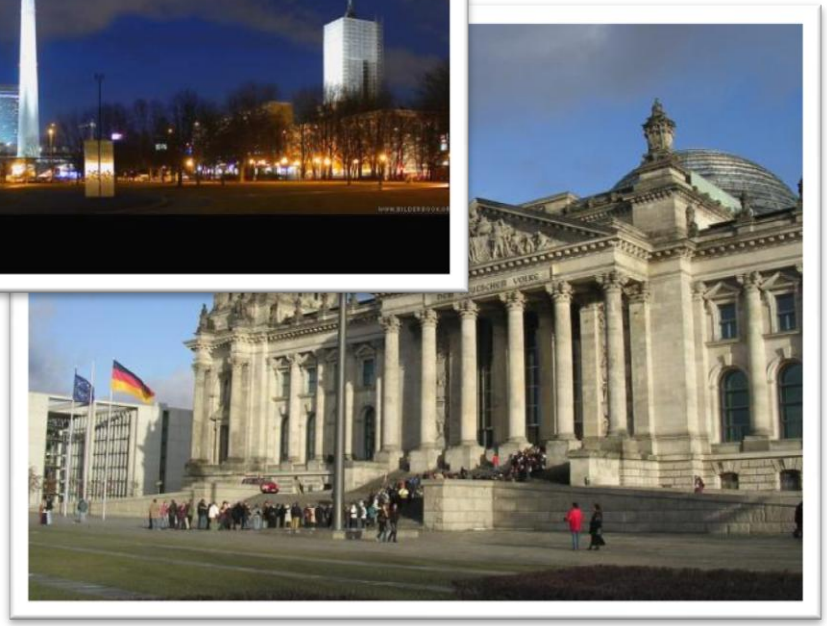
8th EXPP Summit

September 24 and 25, 2012 – Berlin/Germany







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