

Transforming your Invoice processes

A practical guide to eInvoicing, featuring essential advice on how you can achieve efficient, cost-effective and frictionless invoice processing.



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EXECUTIVE SUMMARY

Recent events, predominately Brexit and the COVID-19 pandemic, have resulted in a rapid shift in business strategy across industries in order to mitigate losses.

Businesses that invested in a robust digitalisation strategy have been at an advantage, remaining agile during periods of uncertainty and a heavier reliance on online channels. By not updating invoice processing systems, businesses could lose ground as competitors go digital to save money and improve processing efficiency.

According to a recent report by business analysts Billentis* the volume of eInvoice exchanges is expected to quadruple by 2035.

Governments worldwide have highlighted the need to close the VAT gap (the difference between VAT revenue forecasts and what is actually collected). In Europe, the annual VAT gap is estimated at €140 billion – 11% of expected revenue.

On top of this, new Customs Declarations requirements have been introduced as a result of Brexit. These affect trade with the EU and Northern Ireland. For many exporters and importers, the additional documentation required creates a time-consuming workflow.

Therefore, switching to an invoicing solution can be a complex process due to the multiple different formats and requirements. Although eInvoicing service providers and network operators are moving towards standardised frameworks, so that structured invoices for AR and AP can be exchanged through a common interface, such as EURINV19.

The information contained within this report offers a guide on what to look for and the key benefits of implementing an invoicing solution for future-proofing business.



Key takeaways

60% ROI over manual processes

eInvoice completely eliminates the manual processing of documents. Beyond the reduction in resourcing costs, automation also speeds up the downstream processes of payment authorisation, ensuring the business can benefit from early payment discounts.

Data Validation

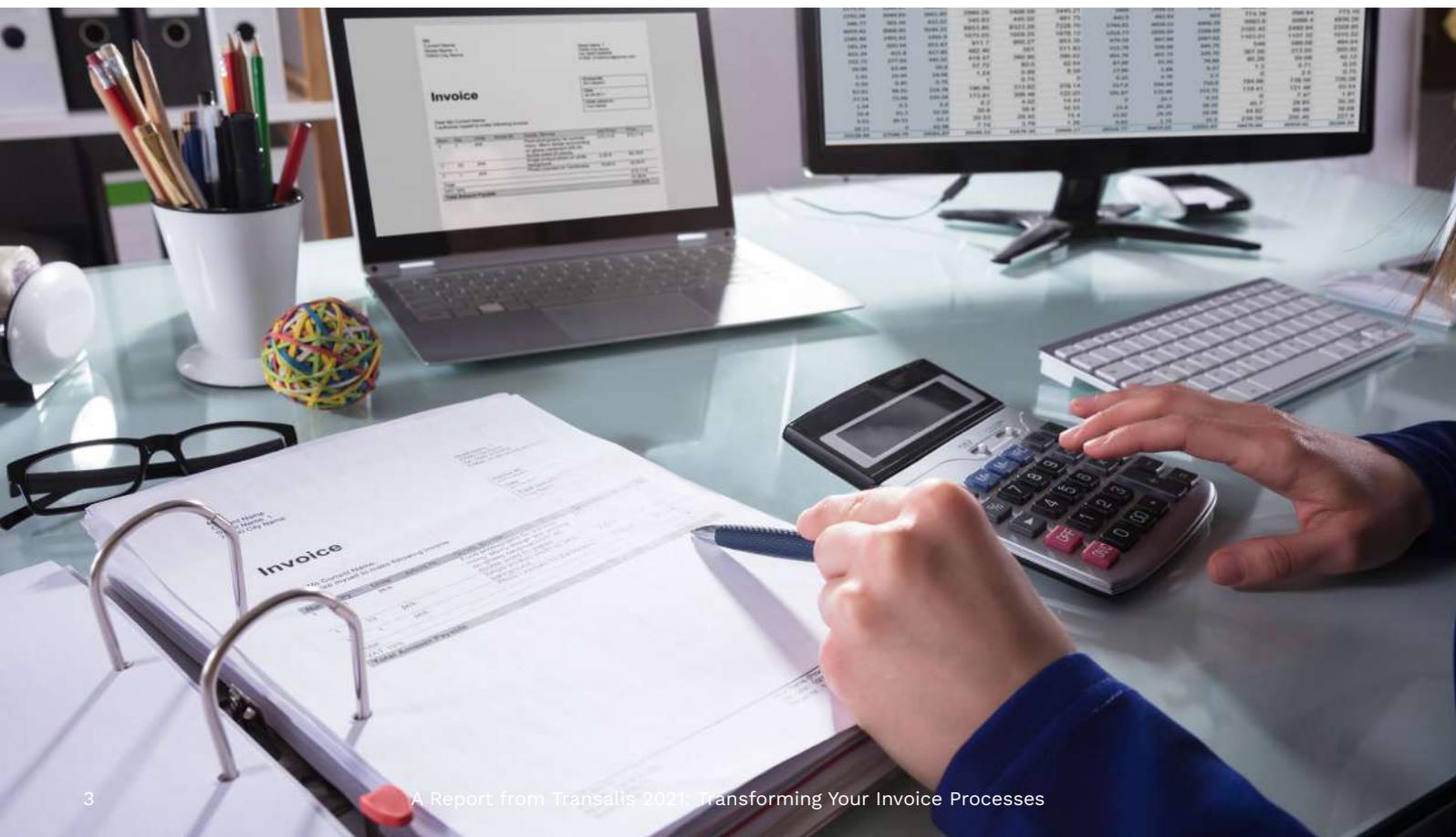
Inaccuracy is an everyday shortcoming of paper or digital image-based invoice management. eInvoicing enables immediate data validation, even where invoices are presented in different formats/ Mistakes are dramatically reduced and invoices are approved and processed far more efficiently.

Increased staff productivity

By removing time-consuming manual processes, staff are more effective as they are redirected to higher value tasks. Our case study with AB Barr outlines how they saved over £200,000 by automating their processes.

Future-proof tax reporting

As well as time and cost efficiency, eInvoicing helps companies meet the growing requirements from governments around the world to have digitised systems that readily comply with rules on electronic tax reporting, for example VAT.





eInvoicing explained

eInvoicing refers to the electronic exchange of invoices between suppliers and buyers.

Traditionally, invoice processing is a repetitive task requiring strict accuracy. A single error can be costly, causing disputes and payment delays, as well as knock-on effects on other business departments.

Paper invoices, even if converted to digital formats later and sent by email, are not, strictly speaking, eInvoices. This is because they lack a structured digital format and were not generated electronically to start with.

However, unlike manual invoice processing, eInvoices originate digitally and remain so throughout their lifecycle, allowing businesses to share and process invoices automatically. There's no paperwork and no manual re-keying data from invoices into purchasing or finance systems.

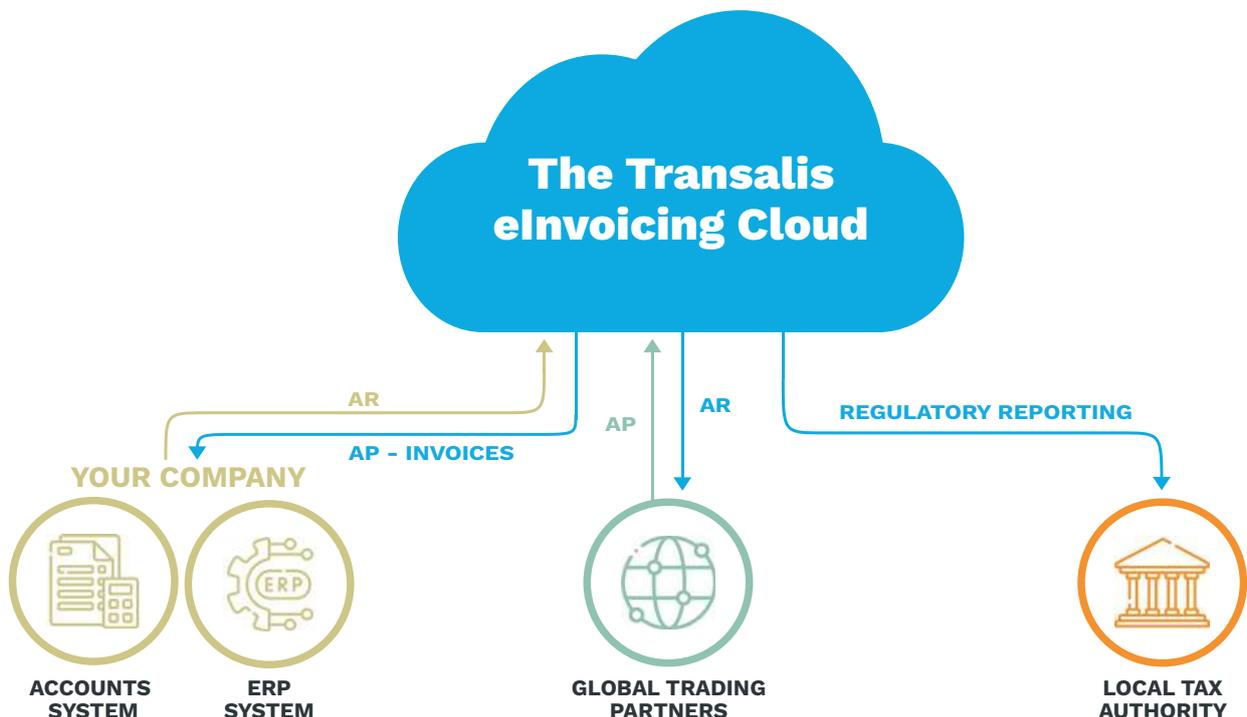
eInvoicing can help both sides of the business: AR, where outgoing invoices to customers are raised and issued¹ and AP, where incoming invoices from suppliers are received and settled.

In both cases, by moving from manual to digital, eInvoicing ensures invoices are processed quicker and sent automatically into relevant internal management systems without the hold-up of manual time spent and the attendant risk of human error.

Electronic invoices will typically includes information such as:

- A unique identification number
- Your company name, address and contact details
- Customer's name and address
- VAT numbers
- Details of the goods or services provided including the amounts being charged and a clear description
- Date the goods or service were provided (supply date)
- Invoice date
- Total amount owed
- Correct VAT amount
- Payment terms
- Local and cross-border regulatory compliant

How invoicing works...



The advantage of eInvoicing

eInvoicing can help you replace time-consuming, repetitive, labour-intensive and error-prone manual tasks across both your AR and AP departments.

The Billentis report* reviews the development and future of eInvoicing, eInvoicing can provide savings of between 60% and 80% compared with the costs of conventional paper or digital image-based invoice processing.

This considerable savings calculation is based on the direct experience of companies using eInvoicing to minimise the risk of human error, facilitate immediate data validation, provide a comprehensive structure for dispute handling and reduce partner administration costs.

The Billentis report* highlights the benefits of digitising invoice processing:

- 60% ROI over manual processes
- Error reduction and accuracy, removing re-keying of data
- Optimises processes for a more stable cash flow
- Increased staff productivity, redirecting to higher-value tasks
- Compliance with B2B (Business to Business) and B2G (Business to Government) invoice regulations worldwide
- Digitised archiving simplifies auditing for AR and AP records (e.g. records need to be kept for six years in the UK)
- Reduces paper consumption, cutting costs and benefitting the environment



A cloud-based eInvoicing solution from Transalis enables you to share the invoice data held in your company's accounts and ERP systems with your trading network and, where required, tax authorities.

Preparing for a digitised future

In the same report, Billentis* assessed that 550 billion invoices are exchanged across the world annually, with a roughly equal split between goods and services.

And as mentioned previously, Billentis also report the expected exchange of eInvoices to quadruple by 2035.

Although eInvoice services being utilised amongst buyers and suppliers worldwide do vary (creating some complexities when managing multiple different formats and cross-boarder requirements), eInvoicing service providers and network operators are moving towards standardised frameworks, such as EURINV19 for example.

This standardised approach allows for structured invoices for AR and AP to be exchanged through a common interface, helping businesses achieve time and cost savings as well as minimising the risk of errors.



Making the case for eInvoicing: How eInvoicing supports AR and AP

eInvoicing brings many benefits for both AR and AP departments especially in productivity, accounts reconciliation and cash management.

Accounts Receivable

Those issuing invoices in AR can enjoy greater confidence in meeting or exceeding customer expectations around process and automated service. As an issuer, businesses may have been implementing multiple bespoke approaches, including time-consuming and error-prone manual tasks. The way the system generates outgoing invoices may have resulted in late payments with delays caused by invoice queries or errors.

In contrast, eInvoicing will give AR teams greater scope to send invoices directly into customers' AP systems. This helps businesses process the payment faster, with fewer rejections, and therefore improving working capital at the same time as strengthening customer relationships.

Billentis* estimates that AR teams can save £5.66, or 59%, on the costs of processing an eInvoice compared to a paper-based one.

Accounts Payable

Similarly, team members who receive invoices in AP may be struggling with a range of challenges due to manual processes. They may have to re-key invoices and be experiencing delays in matching invoices to orders. A typical result of this is missing out on early payment discounts from suppliers. At the same time, businesses will be experiencing avoidable staff overheads and other unnecessary processing costs.

Alternatively, moving to eInvoicing will help AP teams reduce costs, increase accuracy and speed up processing and turnaround. It will help managers reallocate teams to higher-value activities and it will allow more scope to avoid late payment fees and reduce the risk of fraud. Businesses can also have greater confidence in dispute handling and building mutually productive supplier relationships.

Billentis* estimates that AP teams can make even greater savings than their AR colleagues.

eInvoice automation case study:

How a soft drinks manufacturer saved £200,000

The soft drinks manufacturer AG Barr, famous for Irn-Bru, serves as a highly relevant example of how you can gain huge efficiencies from digitising their invoicing processes, after they identified savings of £200,000 with an invoicing solution from Transalis.

AG Barr management identified a greater scope for human error when invoices were received as PDFs or email attachments. The processes required to identify and rectify these errors were inefficient, time consuming and costly.

According to John Thompson, AG Barr's Integrated Systems Manager:

“The average industry cost for raising a credit note is £25, additional to which there is also the additional costs for the extra stock-picking and transport time involved. AG Barr trades with a significant proportion of smaller customers who send invoices as PDF email attachments. The current process of AG Barr having to re-key information into their accounting system was unsustainable.”

Julie Kelly, AG Barr's Business Process Analyst, explains:

“the process of re-keying invoices was so time consuming and repetitive, and there was always the opportunity for human errors creeping in through mistakes in transcription. We kept asking ourselves if there was a better way to manage these longtail issues, in an easier, more automated way.”

In just a few months after implementing an eInvoice solution from Transalis, AG Barr had identified process savings to the tune of £200,000. The size of the saving reflects the company's complex supply chain which involves multiple channels to market including small, independent retailers.

[Review the full case study](#)

A photograph of John Thompson, Integrated Systems Manager at AG Barr, wearing a blue suit and tie. He is holding a large bottle of Irn-Bru soft drink. The background is a blurred industrial setting, likely a factory or warehouse, with rows of blue-capped bottles in the foreground.

“The Transalis platform has made life easier for our customer service team. We are seeing ROI by having people focused on more value-added activity.”

John Thompson
Integrated Systems Manager
AG Barr

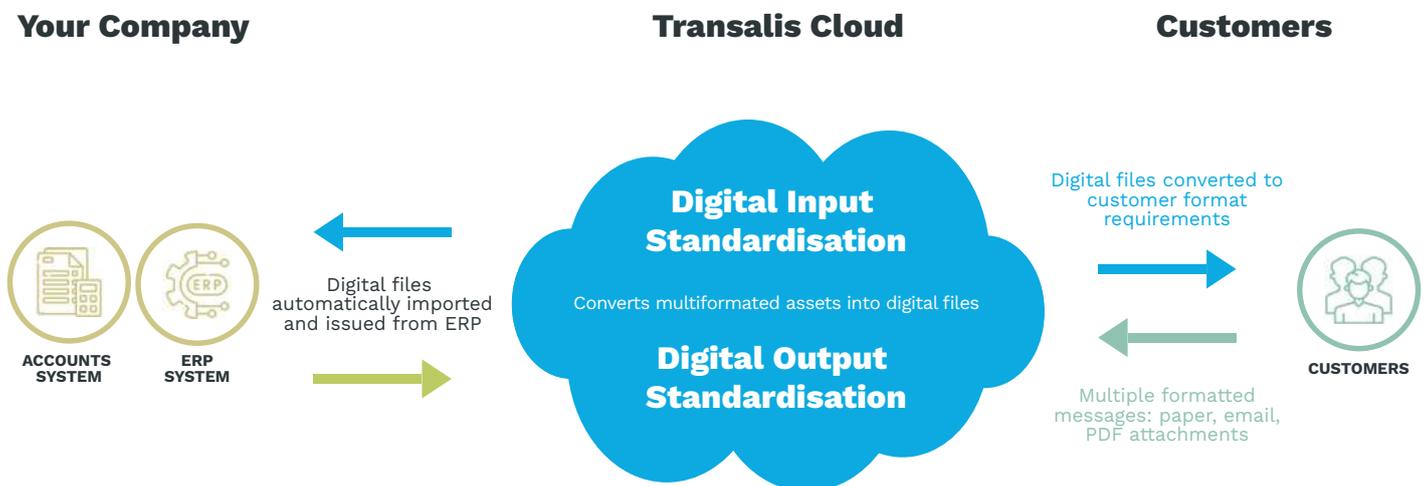
Why Transalis eInvoice™

Invoice management is complex. There are so many different formats and ways of delivering and sending invoices, with different expectations and 'views of the world' among trading partners.

Whether you are the invoice issuer or receiver, or both, you can achieve successful automation with Transalis eInvoice™.

Transalis' eInvoicing platform offers you a host of benefits for you and trading partners:

- Cost and time efficiency
- Frictionless exchange of digital invoices
- Easier extraction of invoice data



By adopting Transalis eInvoice™ you instantly have an efficient way of exchanging files between your internal systems and those of your partners and customer base. The solution enables you to minimise the cost of managing your supply and distribution network, keeping your cashflows healthier.

For more information on Transalis eInvoice Cloud refer to page 12

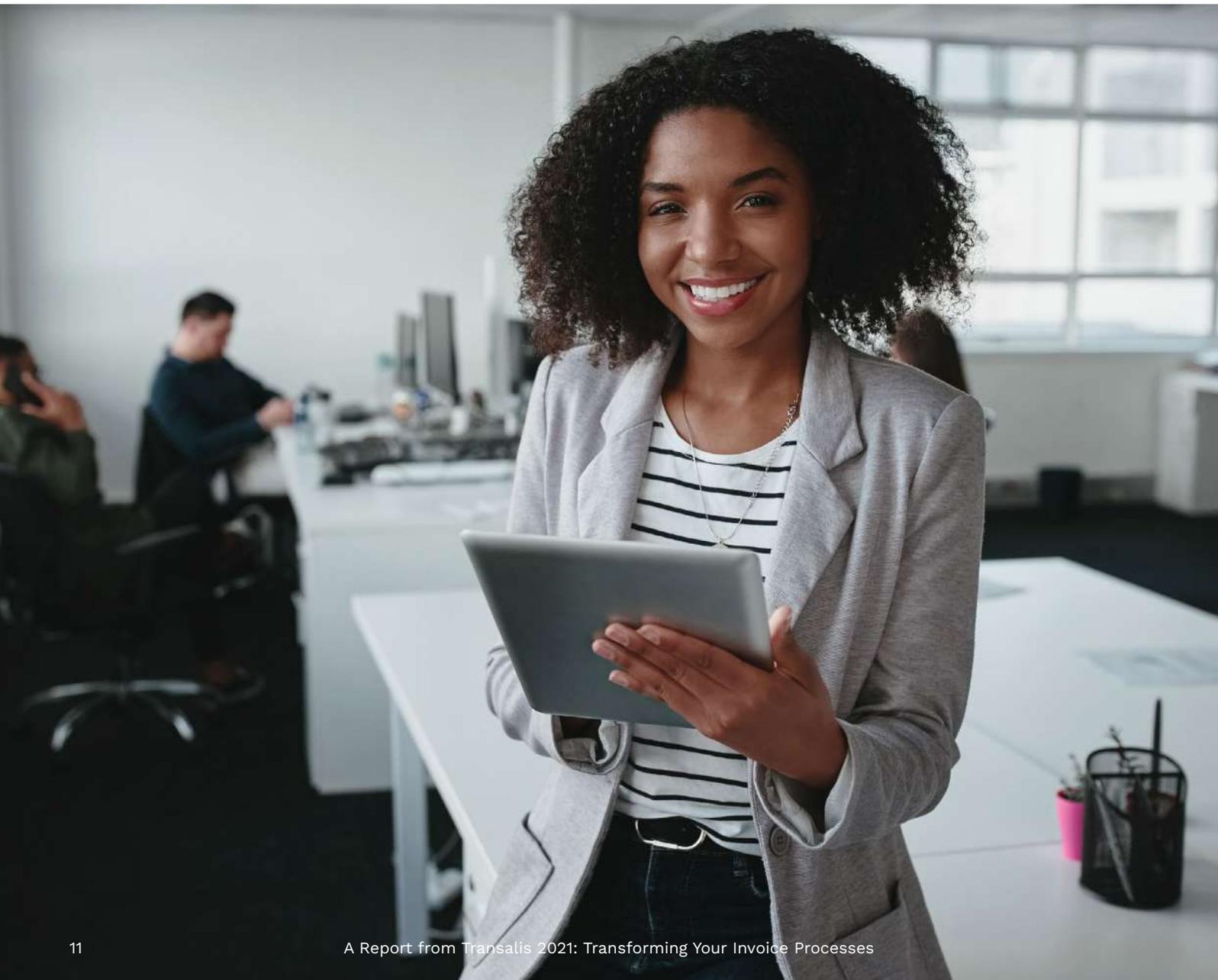
Transalis offer peace of mind

Transalis is one of just 12 solutions providers across Europe, and one of only four in the UK, to have passed a rigorous new EU eInvoicing standard and proudly taken its place in a related consortium called EURINV19.

EURINV19 protocols enhance the frictionless exchange of invoices between businesses as it introduces a common set of standards to simplify the process.

Transalis are a member of EESPA (European e-invoicing Service Providers Association) a trade association actively involved in defining best practice and influencing public policy decisions around eInvoicing and interoperable eco-systems.

Transalis makes invoicing frictionless



A choice of solutions

The Transalis eInvoice™ family combines services and products into a range of bundles designed to address the operational requirements, no matter the scale of your business.



eInvoice Freedom

Ideal for:

Organisations with specific requirements wanting to build their own, bespoke, eInvoice process

Key Features:

- Select all the functions you require
- An entirely customisable solution
- Choose level of support and training

Delivering:

Complete freedom to scale their operations with complete visibility of cost



eInvoice Essential

Ideal for:

Organisations looking to optimise their AP and AR processes and take their first steps into eInvoicing

Key Features:

- Up to 25 connections
- Deep store archive of invoices
- Automated invoice validation

Delivering:

A first step toward reducing the time required to manage multiple manual processes



eInvoice Automation

Ideal for:

Organisations that manually process on average 1,000+ invoices per month.

Key Features:

- Reduce costs with 60% ROI
- FTP integration as standard
- Customisable additional features

Delivering:

Eliminating errors with digital standardisation of incoming and outgoing invoices



eInvoice Connect

Ideal for:

Organisations wanting to digitise their invoice processing and improve efficiency

Key Features:

- Up to 75 connections
- Access to Transalis eInvoice™ platform
- Easy import/export of data into systems

Delivering:

Operational efficiencies leading to FTE (Full Time Employee) time & cost savings

For a more comprehensive overview of Transalis eInvoice solutions visit our site

<https://www.transalis.com/einvoicing-software>

Find out how much you could save with Transalis eInvoice™

To improve your invoice processing, choose Transalis eInvoice™. You can check your potential savings from switching to Transalis eInvoice™ by visiting the ROI calculator.

[Click here to calculate your savings](#)



For more information on how to digitise your invoice processing, talk to our knowledgeable team. We will advise on the ideal solution according to your unique business needs.

Visit	www.transalis.com
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International	+44 1978 369 343

*The development and future of eInvoicing from 2019 to 2025. Billentis (https://www.billentis.com/The_einvoicing_journey_2019-2025.pdf)