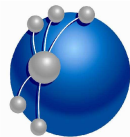


Susie West's Top Ten Tips to Ensuring E Invoicing Success

8th to 10th July 2009



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No. 10 Know your scope

- Often 80% of invoices will come from 20% and sometimes even 10% of suppliers and 1 to 4 countries
- This makes an e-invoicing project much more manageable, and much easier to address than a project which you may have initially thought included 14 countries and 6,000 suppliers
- A big bang approach may be great for the business case, but in phasing the approach you may benefit from lessons learnt

No. 9 Outsource supplier onboarding to the experts

- Supplier enrolment is not something to be done internally – companies have turned this into a specialisation involving detailed process maps and systems built to support this process
- When drawing an RFP or selecting a service provider, don't underestimate the importance of the supplier onboarding service – ensure 25% of your questions are around this area
- Ask what % of FTEs are employed in supplier enrolment and ask for a breakdown. Ask to come and see them. What languages do they cover? Are there nationals recruiting suppliers in their local language?

No. 8 Look for a solution which can take any format

- In order for suppliers to be able to use the e invoicing solution of choice, you need to ensure that the service provider is not prescriptive in the way it asks suppliers to send their invoice data file
- Ask your service provider if they can take any file format from any billing system – if they can they will have some kind of 'mapping' service included in the offering
- If you sign up to a service provider which can only take EDI or XML your conversion rate will be poor

No. 7 Secure high level sponsorship

- This is never to be underestimated. You want to be able to go back to the Sponsor and let them know who is supportive of the e invoicing initiatives and who is undermining them.
- The company wants to be sharing a single voice and with senior sponsorship this voice is very clear to suppliers

No. 6 Ensure your services provider is VAT compliant

- You need to ensure your service provider is ready to go in your key countries. They need to be live there already and have worked with bodies to ensure their processes comply with VAT requirements
- If the service provider is not yet live in your key countries and they give you a discount, be mindful it may take them up to 12 months to attain VAT compliancy

No. 5 Ensure your FTM rate is high

- You don't want to try and convert a poor paper process to electronic. If 40% of your invoices are bouncing today, then be sure 40% will bounce with electronic – and cost more because you are handling a new process which requires rework
- Include in scope the invoices which are 'clean' and match first time
- If this number is over 50,000 then you will likely have a business case to proceed

No. 4 Interview and secure your Service Provider project manager

- This is key. The Project Manager in the Service Provider needs to be a certain personality in order to drive change. This individual will be dealing with Suppliers and Procurement so you are looking for an individual who can be quite tough and steadfast
- Once you have interviewed the project manager then ensure this individual is tied into the contract

No. 3 Ensure a strong message in your Supplier communications

- A strong message can mean the difference between 30% conversion and 70% so ensuring the message is right is key
- Ideally you want to have a strong message with a clear date for being live with the new process, a consequence of non-compliance and communication of the benefits of participating in your e invoicing programme
- Ideally you should you have your letter signed by a very senior individual in Procurement as this individual will have more authority over suppliers than a senior individual in Finance
- Categorise suppliers based on type (strategic/tactical/direct/indirect) and have a different approach for the different categories
- You will be able to mandate the e invoicing message with some suppliers but maybe not with all. You will also be able to include the consequence of non-compliance with some suppliers (ie if you do not come on board by 27th September we may stop doing business with you)
- There maybe 20 suppliers who are very high volume with whom you and Procurement might need to meet
- You need to ensure no one undermines your project

No. 2 Don't underestimate the resource needed to make this work

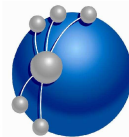
- E invoicing is a project which requires the input from Procurement and Finance (and to an extent IT). Sometimes two project managers from each function are needed to ensure a successful deployment
- This is not a part time project so ensure someone is committed to making this work
- Ensure that this has been built into the business plan and that the internal project managers are commissioned on success
- Ensure that country FDs are bonused on the % converted

No. 1 Ensure Finance and Procurement are aligned

- This could be your single point of failure if this is not secured
- Procurement must buy into Finance's intentions if this is to work we they own the relationship with suppliers
- If Procurement is not engaged your e invoicing project is a non-starter
- Make sure that Procurement realise the benefits that come from e invoicing, so realise you may have to sell to them!

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