eInvoicing via SupplyOn

Michael Loos

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Challenge: Many stakeholders lead to inhomogeneous procurement processes

Global purchasing teams

- PROJECT PURCHASER
- REGIONAL PURCHASER
- DISPATCHER
- LOGISTICS
- DEVELOPMENT
- QUALITY MANAGEMENT
- FINANCE & ACCOUNTING

How can we establish a standardized procurement process ?

Different commodities

- INDIRECT MATERIALS
- LOGISTICS SERVICES
- CONSULTING / SERVICES
- PRODUCTION RESOURCES

External partners

- CARRIERS
- SUPPLIERS

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Major industry trends

Harmonization of purchasing processes for **direct material** and **indirect procurement material**

Integration of procurement processes with the invoicing process to an **integrated P2P** process (Procure-to-Pay)

An integrated P2P solution for all product groups is a key strategic topic for SupplyOn

The right solution for your industry

Industry-specific processes

HIGH-TECH AND ELECTRONICS

RAILWAY AND TRANSPORT

AUTOMOTIVE

MECHANICAL ENGINEERING

AEROSPACE

Core functionalities and processes for successful collaboration

Immediate access to 12.000 suppliers and service providers worldwide

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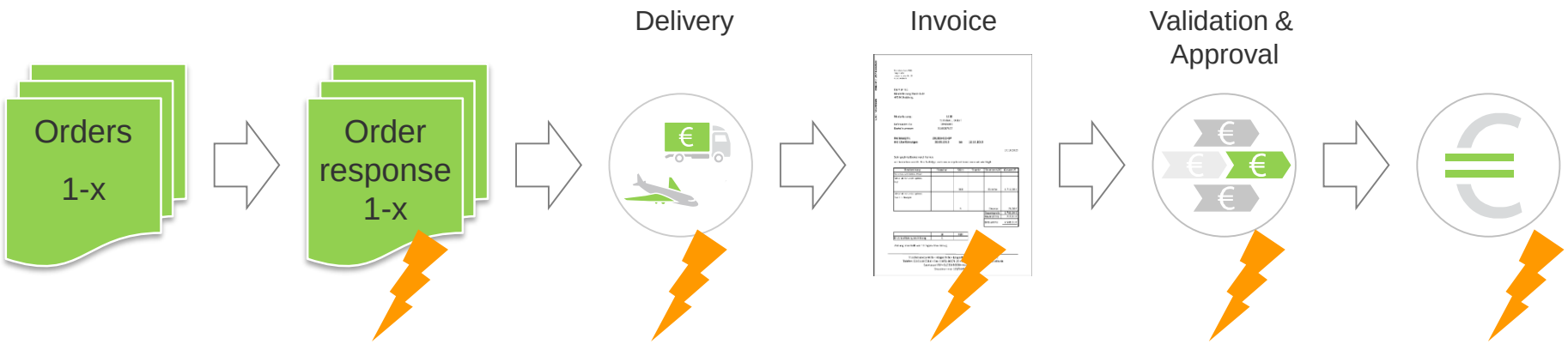
Main issues along the process chain

- **Missing** responses on orders or delivery forecasts
- **Non-transparent** delivery
- **Complex** and **expensive** invoice processing
- **Long iteration and circle time** from receipt of invoice until payment approval
- Check and coordination efforts due to **poor data quality**
- **High complaint rate**
- **Missed payment terms** and **lose of cashback** / discount



Business Challenges for an integrated Procure-to-Pay process (P2P)

Procurement

- Standardized process with suppliers for all product groups
- Automated Demand Confirmation of Suppliers in ERP/SAP

eInvoicing

- Full Automation of eInvoice booking
- Paperless process

P2P Deployment

- Deployment of all relevant suppliers
- Critical success factors

Business Challenges for General Procurement

Procurement

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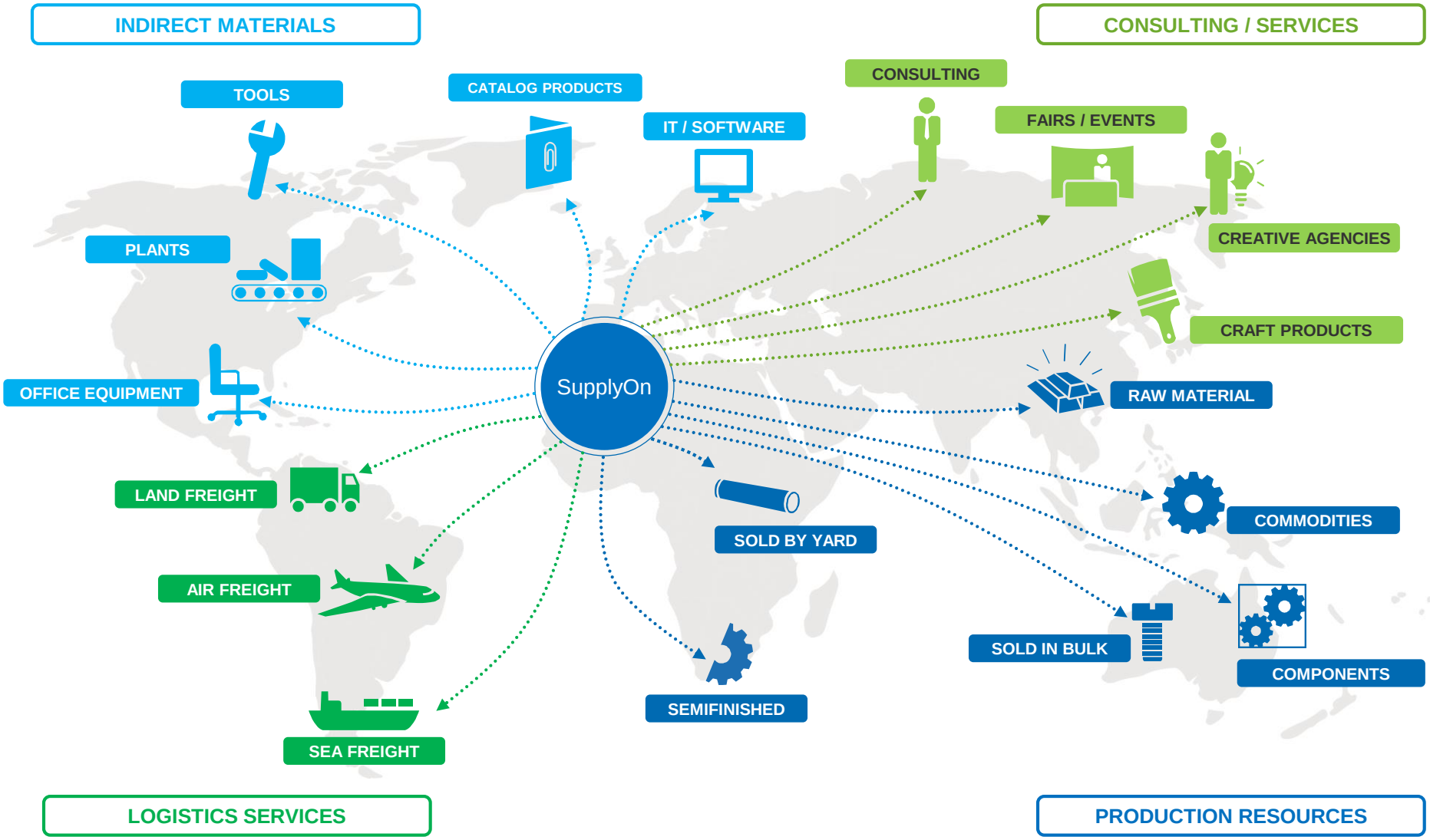
One central platform for all product groups



Purchase order: paper based vs. electronic process

Paper based PO process

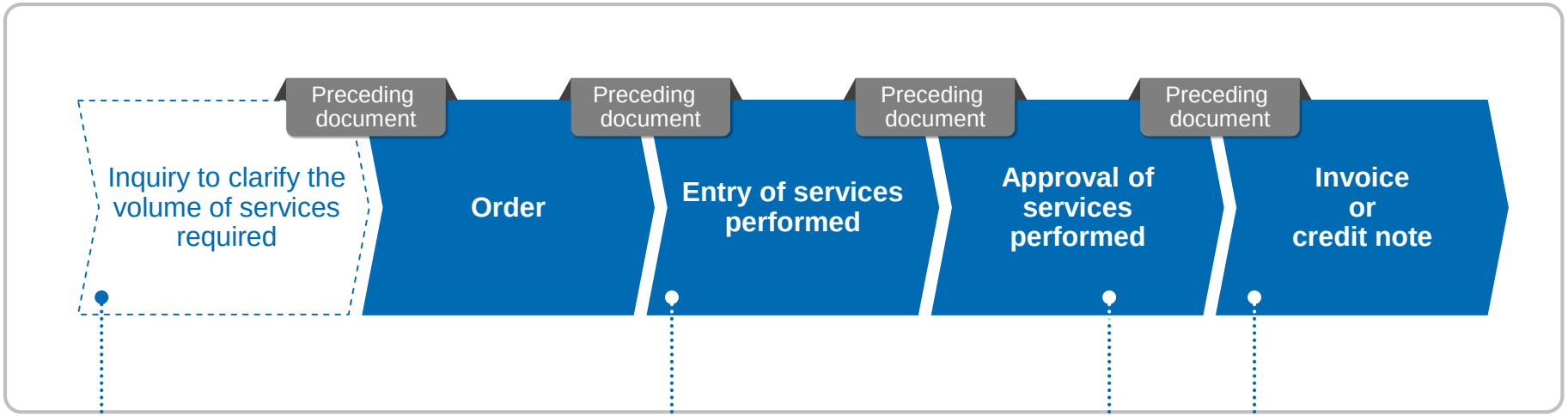
Sending PO from ERP → Check letters and faxes from supplier → First manual reminder → Check letters and Faxes from supplier → Second manual reminder → Enter supplier confirmation in ERP → PO Confirmation Available In ERP

PO process via SupplyOn

Publishing PO from ERP → Automated alerts for Suppliers → Automated PO Confirmation Imported in ERP

Significant reduction of operational procurement efforts by up to 20%

Purchasing and billing services
Solution concept: collaborative service procurement



- Determine the precise volume of services required prior to internal approval and order

- Enter (partial) services
- Enter additional services that were not part of the order but proved to be necessary during processing
- If there is a service catalog, additional services are entered on the basis of negotiated conditions

- Having the customer approve the services performed prior to the invoicing process reduces the number of incorrect invoices

- Invoice or credit note on the basis of the approved entry of services performed

optional

Business Challenges for eInvoicing

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The invoice process starts with the order

ADRESS DATA
- Buyer address
- Buyer number
- Buyer plant number
- Invoice address
- Consignee address
- Supplier address
- Supplier number
- Supplier plant number

TAX RELEVANT DATA
- Buyer VAT number
- Currency
- Tax rate

ARTICLE DATA
- Article number (buyer)
- Article description (buyer)
- (Quantity)
- (Unit of measure)
- Price per unit
- Price unit

REFERENCE DATA
- Order number
- Order position

TAX RELEVANT DATA
- Supplier Tax number
- Supplier Vat number
- Legal Information

ORDER / DEMAND

ADVANCED SHIPPING NOTICE / GOODS RECEIPT

INVOICE

MASTER DATA / ENRICHMENT

TAX RELEVANT DATA
- Country of origin
- Service completion date

ARTICLE DATA
- Article number (seller)
- Article description (seller)
- Quantity
- Unit of measure

REFERENCE DATA
- Delivery note number
- Delivery note position
- Delivery note date
- Despatch date
- Despatch number

CUSTOMER INTERNAL PROCESSING DATA
- Barcode
- Cost Center

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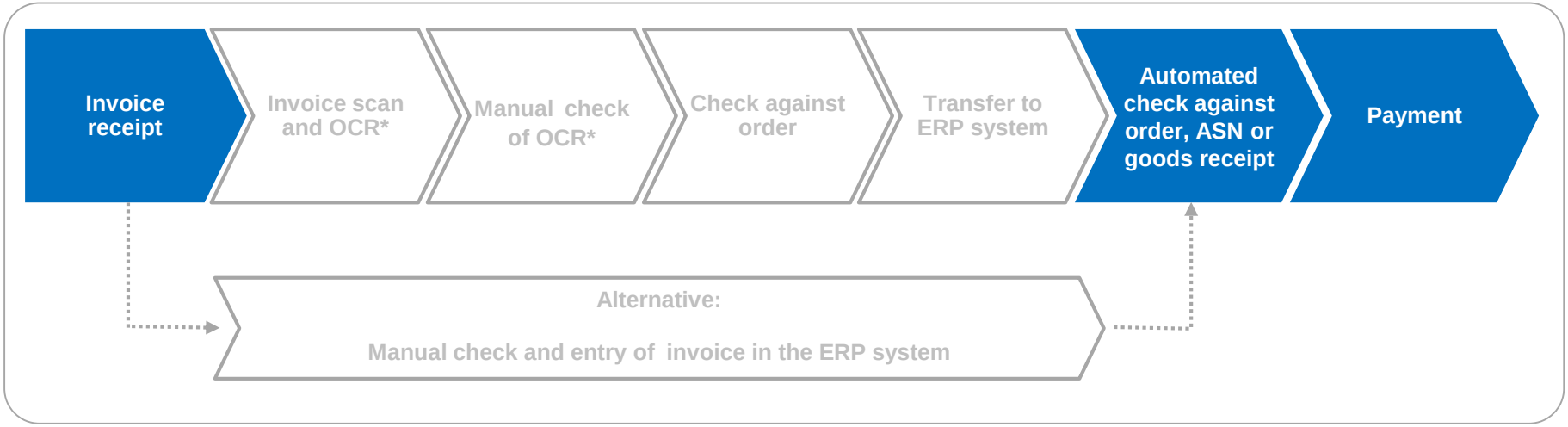
Automation of eInvoice booking: possible automation rates

Depending on the parent processes for invoices integrated in the complete process, different automation rates can be achieved…

Parent processes for eInvoices considered	Possible automation-rate of eInvoices
none	Low
Purchase Order	Medium
Purchase Order / Advanced Shipping Notice / Goods Receipt Master Data / Enrichment	High

Customer benefits of automated eInvoice booking

No more manual steps, errors are avoided

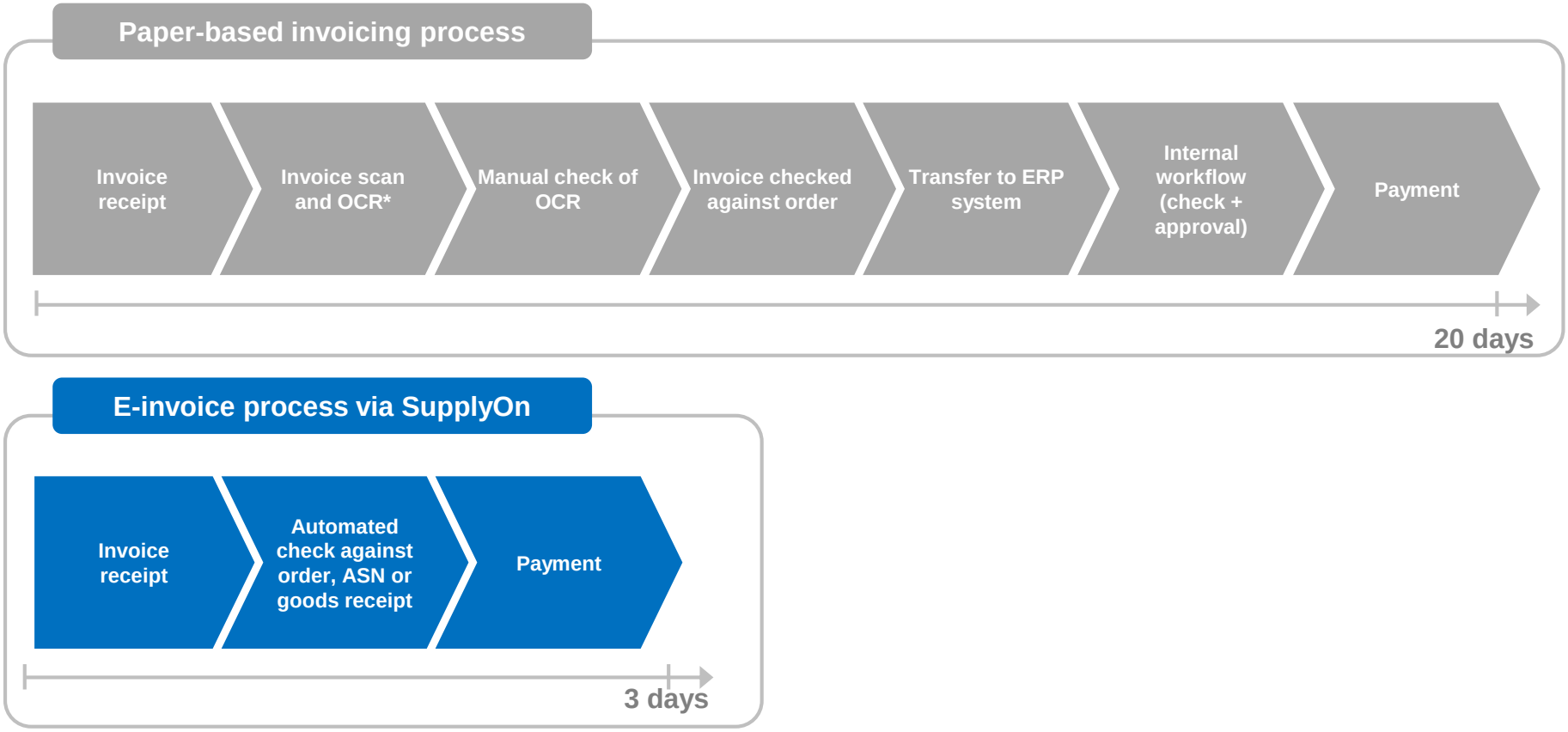


Process costs reduced by up to 60%
(approx. 11 euros per invoice) **

* OCR = Optical Character Recognition

** according to the "E-Invoicing in Europe and Globally" study, 2011, Billentis

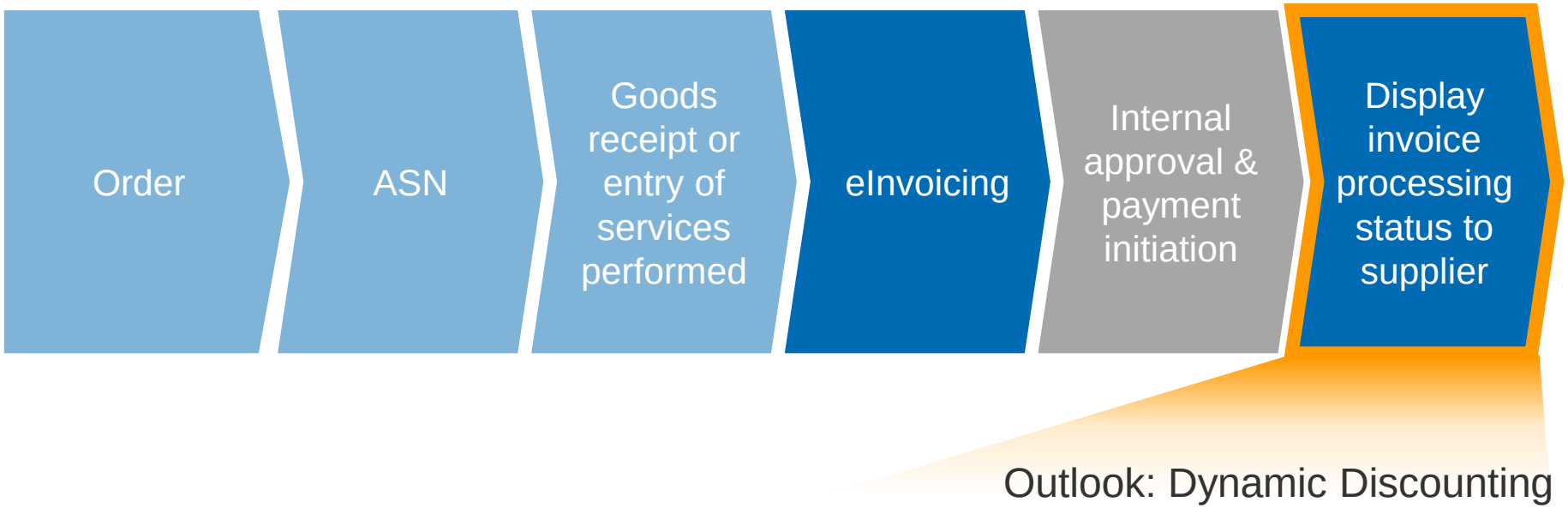
Shorter invoice processing time ensures savings (discount)



- Reconciliation with suppliers only for cases which deemed to be ok after automated checks
- Payment targets reached (discount) and hence a reduction in purchasing costs

What is in for the supplier?

Extended by Dynamic Discounting



Business Challenges for Procure-to-Pay Deployment

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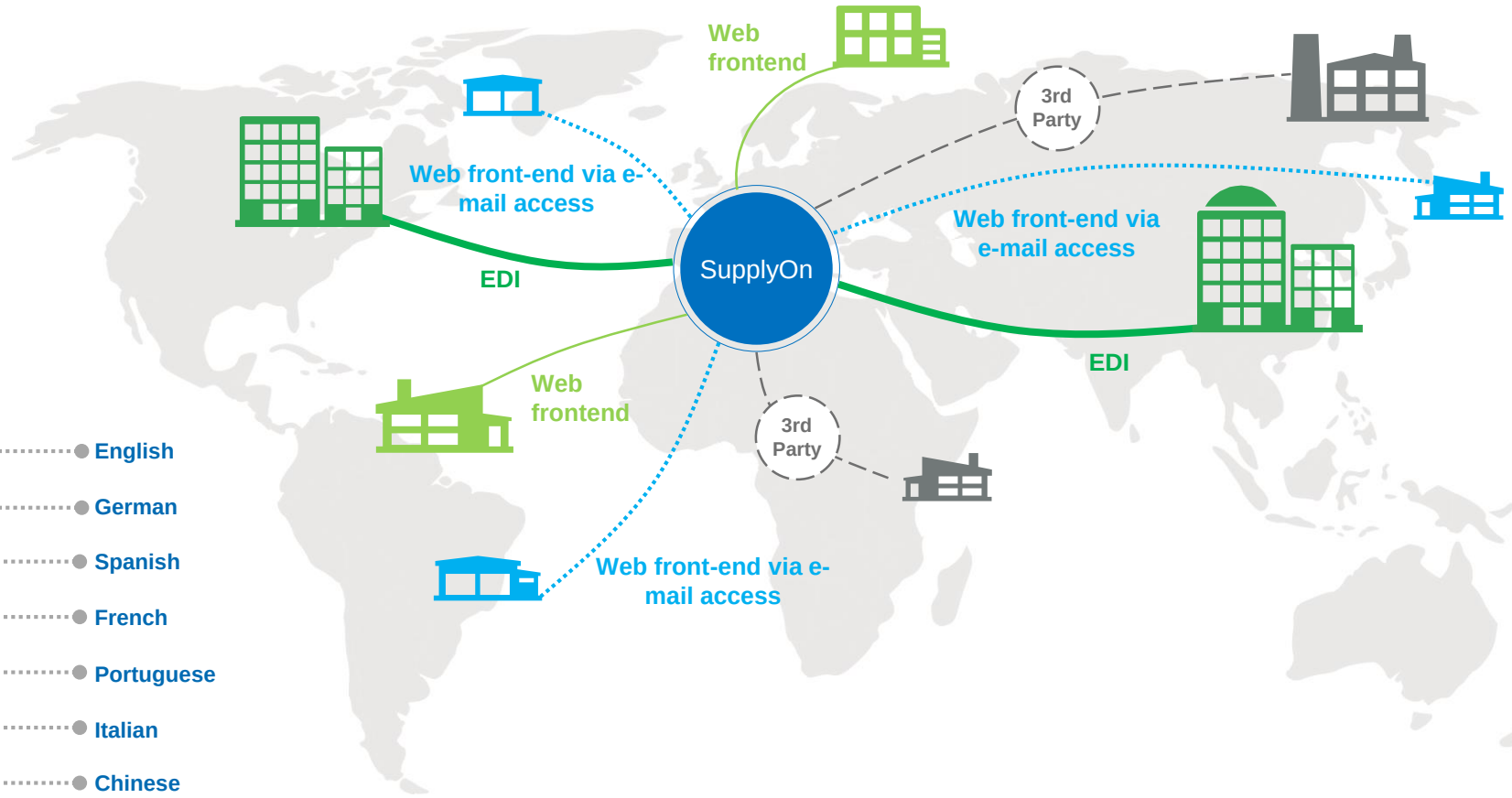
It is all about the process performance End to End

Connecting up all suppliers worldwide – with a variety of links plus multilingual solutions and support



- English
- German
- Spanish
- French
- Portuguese
- Italian
- Chinese
- Japanese
- Korean

Organizational obstacles: Different goals in different departments

Key Question: How is it possible to bring these different goals together to 1 joint initiative?

Joint goal: seamless and efficient P2P processes

SupplyOn as enabler to join forces and align business goals beyond department borders

Critical Success Factors

- Generate P2P management awareness & mindset
- Identify own process bottlenecks
- Evaluate your business case and get management commitment
- Cross-functional project set-up; collaboration across organizational borders
- Defined change management acknowledging differences in direct and indirect spend
- Clear supplier communication

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1 platform
1 connection
1 partner

Any Questions

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