E-Invoicing and Supplier Connectivity

Product Overview and Business Case

transcepta™
GLOBAL SUPPLIER NETWORK
Transcepta E-Invoicing and Supplier Connectivity Solution

Each new vendor or supplier your company does business with has their own unique process of sending invoices and other documents. The challenge arises when the paper document volume becomes so large that accounting has to spend the majority of their time (and the company’s money) processing, tracking, and storing these documents.

Most suppliers will continue to send you paper, if not given a flexible and easy to use alternative

Other solutions will either neglect to offer invoicing options to your suppliers (e.g. will only connect using EDI, or will only provide a portal), or will try and scan all incoming invoices using an OCR technology.

OCR can fail to recognize the difference between a zero and the letter O, or a lowercase L and a one - especially since print can sometimes be distorted.

The Transcepta Difference

Transcepta offers a unique solution that offers your suppliers the option to choose their preferred invoicing method. We quickly connect each of your suppliers to your existing ERP or AP/procurement system, then send you only 100% validated invoices in a standardized format. We then help manage your supplier relationships with industry leading support and service.

PO and Invoice Delivery straight to and from your ERP
Building the Business Case

This section of the whitepaper will help you plan for and build a business case around an electronic invoicing project. This business case will include the identification of specific pain points, potential solutions for those pains, and an approach for deploying electronic invoicing and supplier connectivity in a way that drastic “paper pains” are eradicated.

1. Identify Common Problems and Current Benchmarks

Start out by understanding where your company could benefit from an e-invoicing and supplier connectivity initiative. Common pain points include:

- Receiving large amounts of paper
- Delayed processing times or late payments (unhappy suppliers)
- High costs directly and indirectly related to invoice processing
- Lack of communication between procurement and AP
- Exceptions caused by mismatched POs and invoices
- Missed early-payment discounts

![Average invoice processing times (source: Aberdeen Group)](chart)

To help build the business case, it is important for your company to calculate current invoice processing time, and the costs associated with invoice processing (including employee salaries, etc.). This way, the metrics can be compared to industry standards for invoice processing automation, and the time/cost savings can be easily seen by company decision makers. Then, it is less of a question of whether to take on the project, and more of a question of how much time and money will be saved the sooner the project is implemented.

2. Identify the Key Stakeholders

This could include people such as the CFO, heads of AP and Procurement, Business Analysts, and applicable members of IT. Keeping an open line of communication with your company’s decision makers, and getting them onboard prior to the project kick-off will help move the project along smoothly.

3. Segment and Identify the ROI

The benefits of e-invoicing span across departments within your organization and to your suppliers, as well. However, you do not need to take our word for it, as these benefits are well documented by industry research. See below for points that illustrate the value that electronic networks can provide to both your company and your suppliers, according to a recent e-invoicing benchmark report.
# E-invoicing benefits (source: PayStream Advisors)

## Benefits for Buyers
- Reduced costs
- Increased accuracy
- Increased AP productivity
- Faster processing times
- Focus on higher-value activities
- Enhanced accounts reconciliation
- Improved cash management
- Reduced fraud and late payment fees
- Improved supplier relationships

## Benefits for Suppliers
- Faster payments
- Fewer rejected invoices
- Increased productivity
- Enhanced accounts reconciliation
- Improved customer relationships
- Improved cash management and working capital
- Alternative finance options

## Benefits for Managers
- Improved visibility
- Optimized working capital
- Better budgeting and forecasting capabilities
- Improved compliance and audit risks
- Improved supplier/customer relationships
- Enhanced IT system optimization

Another common question is “which project should a company should start with?” Customers must also forecast the rate of return for each individual piece of the AP automation puzzle. The graphic below shows the relative benefits of each stage of an e-invoicing project.

### Electronic Transactions
- Routing to the ERP or accounting system
- Stop the paper and manual handling
- Primary validation rules

### Additional Validations
- Keep exceptions at a minimum
- Notify suppliers of errors

### Increased Automation
- Workflows, etc.

## 4. Establish Goals and Key Changes

How your company operates and what it should expect may be unique to your circumstance. Typically, however, companies have realized the lowest invoice processing costs by implementing automated invoicing methods that do the following:

- Eliminate exceptions by running your validation rules on incoming invoices
- Eliminate paper from AP by requiring invoices to be submitted electronically
- Eliminate manual entry by routing invoices through your ERP or accounting software
- Share data cross-departmentally via your ERP
- Generating revenue via working capital options, such as dynamic discounting or supply chain financing

## 5. Follow up with Transcepta

Our solutions team has experience working with AP, procurement, and IT teams of different sizes and across many industries. Consult with your Transcepta Solutions Adviser to discuss specific metrics that can help your company build a complete business case.