



corcentric™

EBOOK:

Create the Perfect E-invoicing Solution



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01

Introduction

Electronic invoicing (e-invoicing) is something of a buzzword these days, expected to grow at a global rate of 16.2 percent year-on-year¹. Electronic delivery ensures invoices reach customers who may be working remotely, as well as vastly reducing production time and cost – key drivers in these post-COVID times.

This eBook explores the benefits, variations, and practicalities of moving to e-invoicing.



Challenges of current invoicing processes

Invoicing is traditionally a labour-intensive process, with many organisations still sending the majority of invoices out as printed copies. Typically, accounts receivable departments spent several days each month printing, stuffing envelopes, and franking for post.

With the urgent move to e-invoicing, driven by the 2020 lockdowns, many businesses simply swapped printing and posting, for saving as PDF and then emailing their invoices. This translated one form of manual labour into another, missing the vast majority of e-invoicing benefits.

These labour-intensive processes run the risk of human error, and provide no management visibility of delivery or readership.

Furthermore, whilst preparing and sending invoices, there is often little focus on chasing invoice payment.

Perhaps this is why over 47 percent of B2B invoices in the UK are paid late².



The needs of the business

As business leaders know, cash flow is the lifeblood of any business. Invoicing and receiving payments on time is critically important to maintaining and building cash flow. Anything that can be done to reduce delinquency and shorten payment timeframes supports this need.

There's an old adage that **revenue is vanity, profit is sanity**. It's worth remembering an extension to this in that **cash flow is reality**. Businesses can make a loss and keep going for years. Run out of cash just once and you're out of the game.



Become a modernisation hero

This eBook is designed to help provide you with a better understanding of e-invoicing, explaining the different solution types, key considerations, pitfalls, and risks.

Ultimately, our goal is to help you successfully present an e-invoicing solution to the rest of the business and make its deployment a success.

02

What is e-invoicing?

Firstly, we should clarify what we mean by electronic invoicing. Whilst the EU Directive [2014/55/EU](#) defines electronic invoicing as the delivery of structured data invoices, the reality is that the most popular electronic format for invoices is PDF, sent as an email attachment.

We consider **any** electronic format of invoice to be a form of e-invoicing, including PDF, HTML email, FTP delivery of files, XML, EDI or other structured data formats.

Sending invoices as structured data file transfers (e.g. EDI) is the gold standard for e-invoicing and should be aimed for, where possible. However, the commercial reality for most businesses means that they need to send the majority of invoices out as human-readable documents (e.g. PDF attachments or HTML emails) and many even need to support a small percentage of paper invoices as part of their invoicing mix.

Supporting this mix of invoicing formats can still be managed electronically, affording the cost savings and efficiency benefits that are central to successful e-invoicing.

03

Automation and Efficiency

Electronic invoicing presents a massive opportunity for the streamlining of accounts receivable processes, through automation and greater control at scale. However, going about e-invoicing the right way is critical to realising these benefits.

Simply sending invoices in an electronic format (e.g. PDF over email) is not going to realise the full potential of e-invoicing. The whole process, from ERP system to delivery, tracking, and customer engagement, works best when it is supported via one platform which provides rules-driven control over every nuance.

When done badly, electronic processes can be just as laborious as the paper-based processes they replace.

Electronic invoicing should enable you to generate and distribute invoices with minimal effort, through intelligent automation.



No more manual uploads

With e-invoicing, you can say goodbye to copy-pasting or re-keying invoice details into your customers' online invoicing portals. Electronic invoicing can enable direct electronic delivery into customers' AP systems, saving hours of manual uploading.



More time to focus on the job

Escape the shackles of paper-based invoicing to free up time, enabling accounts receivable teams to focus on chasing down payments and resolving more pressing issues.

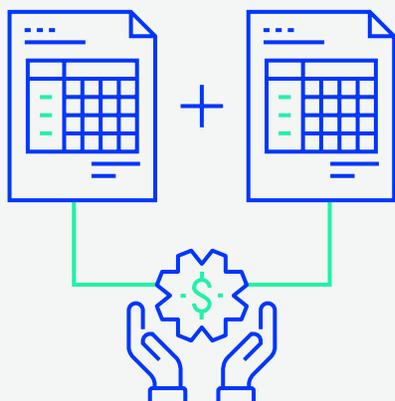
For credit controllers and senior management, the ability to call upon status reports quickly and easily means decisions can be made faster, opportunities seized more quickly, and queries resolved before they impact cash flow.

04 E-invoicing solutions – the options

There is a vast and growing number of available e-invoicing solutions. However, not all are created equal. Each type presents opportunities and challenges. It is important that buyers clearly understand the main differences between different types of e-invoicing solutions so they can make the choice that is right for them.

- 1 Manual e-invoicing**
- 2 Direct from ERP systems**
- 3 In-house e-invoicing platforms**
- 4 SaaS e-invoicing applications**
- 5 Value-added Networks (VANs)**
- 6 Outsourced or managed service**

1

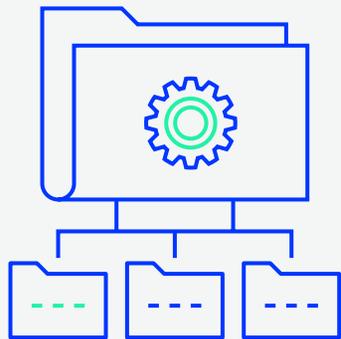


Manual e-invoicing

Manually creating PDFs and sending via email, or copy-pasting invoice data into emails to send, achieves electronic delivery – at a cost. Invoicing used to be an expense on stamps; with this approach it becomes an expense of labour.

This manual approach to e-invoicing does nothing to address any need for uploading invoices to customers' invoicing portals. As more accounts payable departments require invoices to be supplied electronically, a manual approach to this becomes an additional burden on suppliers.

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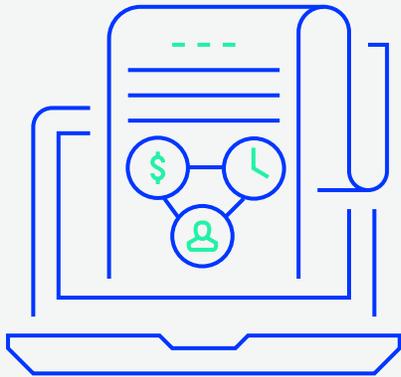


Direct from ERP systems

Often seen as a quick fix to deliver e-invoicing, using an ERP system to output invoices electronically – even automating the delivery of these, over email – may seem appealing at first glance. However, the more nuanced your invoice delivery requirements, the more coding and configuration needs to be done to the ERP system. This is often one IT project too many.

ERP systems work best in conjunction with an e-invoicing platform to provide the rules-driven delivery logic, tracking, and exception handling (e.g. resending as post after three failed e-delivery attempts). You can read more about e-invoicing from an ERP system [here](#).

3

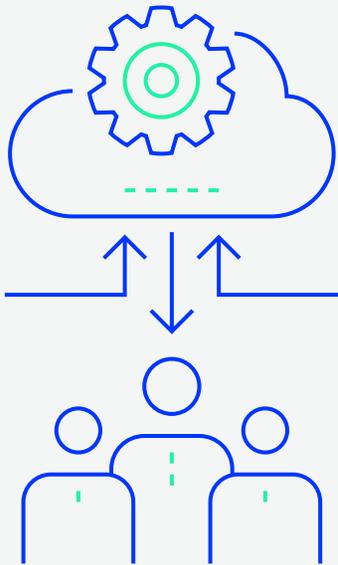


In-house e-invoicing platforms

Building an e-invoicing platform in-house requires considerable expertise in the field of electronic invoicing. Handling exports from ERP systems, which includes the conversion of data into a broad range of output file types and standards, is a significant development task. Furthermore, this is a moving target – standards evolve, API connections to networks need to be updated, and nothing can be allowed to fail, or cash flow suffers.

Buying an e-invoicing solution off the shelf may get around the initial development requirements, but will need time and expertise to set up correctly. Additionally, the solution will need to be maintained to meet changing standards and connection requirements.

4

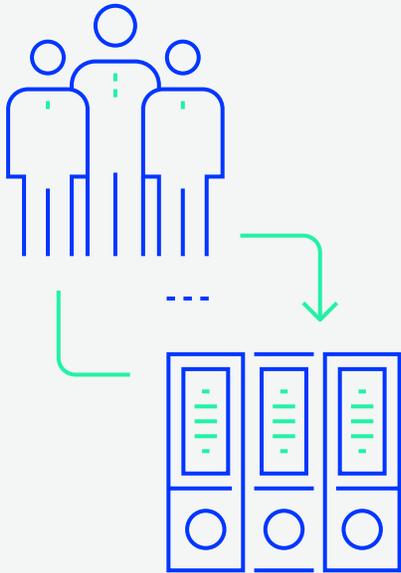


SaaS e-invoicing applications

Due to the complexity and expense of building and maintaining an e-invoicing platform in-house, many businesses seek out a SaaS (Software-as-a-Service) solution in this space.

A SaaS approach still leaves businesses with the challenge of setting up configuration, as well as customer onboarding to ensure sufficient adoption and commercial success.

5



Value-added Networks (VANs)

The VAN model is delivered by a service provider, or operator, between issuer and recipient (AR and AP teams at each business). The simplicity afforded for both sides has seen this model grow in popularity over recent years.

Issuers, or suppliers, upload invoice data to the network in a specific format. The invoices are then distributed to customers' endpoints on the network.

This works well if all of a supplier's customers are on the network. It can lead to limitations on who a supplier can sell to, if potential customers do not want to join the network to receive their invoices.

6



Outsourced or managed service

Outsourcing e-invoicing to a managed service provider, such as Corcentric EIPP, affords the greatest degree of flexibility and support for invoicing requirements. This model goes beyond the ease of use of the VAN model, with a setup process to ensure invoices are easily generated from ERP and other internal systems and delivered in the correct format to customers, while adhering to the latest standards.

A managed service provider can help onboard customers to maximise the adoption of electronic invoicing, achieving the best possible return on investment.

As an ongoing service, outsourced e-invoicing can be thought of as an operational expense – offset against the savings it provides. This lower initial cost, combined with fully-managed setup, onboarding, and support, makes outsourcing e-invoicing a compelling prospect for many businesses.



05

To outsource or not?

E-invoicing has the capacity to vastly improve efficiency and save both time and money. However, these benefits can be negated if just as much time and effort is expended keeping up with the variety of supplier format requirements, as well as integrating, securing, and extending the e-invoicing solution to keep up with business needs.

Some businesses already have EDI and other data manipulation expertise in-house, and are challenged to keep on top of changing standards whilst delivering a flexible and secure management interface.

However, sometimes it is best to hand these challenges over to a partner who focuses entirely on the requirements and fulfilment of e-invoicing.



Everyone's an outsourcer

Any business that claims **they don't outsource anything** is forgetting that business and, indeed, society in general can only function if there is a degree of delegation and outsourcing. Even in the context of printed invoices, the delivery of these is outsourced to a postal service. It's just not efficient to do everything yourself.

The most successful businesses identify areas that are impractical to develop, manage, and deliver with internal resources. They then outsource these activities to a corresponding expert in each area.



Risks and risk mitigation

Risk is probably the biggest objection to outsourced e-invoicing. A good way to manage that risk is to understand the pinch points and pitfalls, by utilising someone who has done it before and done it often.

In an outsourced scenario, control still rests with the business and is even protected with Service Level Agreements and contractual obligations from the outsource provider. The provider can also be held accountable if there were instances of negligence and poor performance.

When outsourcing, you are still in control of setting the goals, requirements, and performance indicators while your outsource provider is responsible for complying with them and proving as much.

By delegating the responsibility, you're allowing someone else to take care of the details. Outsourcing allows you to tap into the knowledge, experience, and capabilities most suited to successfully realise the task.

06

Benefits to the business

From the perspective of anyone managing financial functions in the business, especially credit control, e-invoicing makes total sense. But the benefits are far-reaching, and too often less well-known to the wider business.

- 1 Greater efficiency**
- 2 Lower overheads**
- 3 Strategic advantage**
- 4 Customer Experience Management**



Greater efficiency

Accounts receivable efficiency gains are an important enabler for many businesses. Allowing accounts receivable teams to focus on collecting payments – rather than printing, posting, or uploading invoices – can vastly improve cash flow.

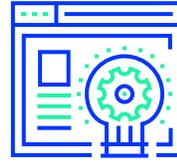
Financial efficiency isn't the only business-wide gain e-invoicing offers. The ability to present invoicing history for auditors, or provide management information on cash flow at the touch of a button, is another area that replaces previously manual processes.



Lower overheads

From a printed invoice perspective, the overhead savings from e-invoicing are considerable. It's not just mechanical overheads though. Fewer internal resources need to be diverted to cope with spikes in invoicing, auditing requirements, or reporting.

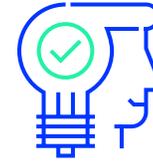
When considering overheads, be sure to take into account any internal investment in developing, integrating, maintaining, and managing e-invoicing systems. Dedicated staff may be delegated to e-invoicing, but, ideally, businesses will outsource to an e-invoicing partner to minimise internal risks and costs.



Strategic advantage

The majority of buyers will welcome the improved accuracy and efficiency of your e-invoicing, especially if you offer prompt payment discounts. Moreover, as buyers move towards automation of accounts payable processes, there will be an increasing demand for you, as a supplier, to deliver invoices in the best format for their systems to process.

Offering a wide range of invoice formats, particularly EDI and XML, and even simple customisations, such as the formatting of an HTML email or PDF invoice, makes your business easier to do business with.



Customer Experience Management

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07

Getting buy-in from the board

Everyone around the boardroom table has a different agenda. Matching the benefits of e-invoicing with specific agendas is key to getting buy-in.

However, the project can't move forward unless a connection is made to what the board perceives as needs.

- 1 Don't get left behind**
- 2 Saving time and money**
- 3 Building the business case**

1 Don't get left behind

No business wants to be seen as behind the times, so this is an important angle to take when presenting e-invoicing. The e-Invoicing market in Europe was valued at \$1,241.7 million in 2019 and is projected to reach \$4,217.6 million by 2027³. Further afield, there are countries such as Brazil, where all B2B and B2G invoices must be sent electronically.

Technically, creating and implementing your own e-invoicing solution can be a serious challenge. It would be unusual if the CIO or IT leader didn't have strong views on the best route forward for the business. They should be aware of the complexities of implementing EDI or similar solutions, and the opportunities for use of the invoicing data by the wider business.

In the early days of e-invoicing, many businesses took on the task internally with IT resources. It's now accepted that this can be a time-consuming and risky route to take. Choosing the right e-invoicing partner to work with IT on the integration keeps the control in the business, but outsources the risk and complexity.

2 Saving time and money

As every business leader knows, free cash flow is the single most important metric to determine the health of their business. Crucially, for growth, many successful businesses rely on self-funding, requiring free cash flow to enable this.

The Accounts Receivable department has a uniquely influential role in facilitating cash flow. This is an obvious place to address free cash flow challenges and e-invoicing is the answer.

3 Building the business case

Whilst we explain steps in building a business case in more detail [here](#), the structure and considerations are outlined briefly below:

- 1 Identify the relevant business pains – these can include costs, time inefficiencies, competitive shortfalls, and lack of insight.
- 2 Research who is affected by the pain points, and who will be keen to support proposed changes to address them.
- 3 Articulate the impact of these pains at departmental and business-wide/strategic levels

- 4 Present best/middle/worst case savings over one, two, and five years that are achievable by addressing these pains.
- 5 Outline steps to address these pains through the benefits of e-invoicing.
- 6 Explain the benefits of e-invoicing to key stakeholders and sponsors in the decision-making process – e.g. CEO/MD, CFO/FD and CIO/IT director. Know what their reservations and concerns are likely to be and answer these clearly before they need to ask.
- 7 Present the possible solutions, explaining relative merits and challenges of each – propose the most appropriate solution.
- 8 Explain added benefits of the proposed solution going beyond addressing current pains. For example, clarify the ability to analyse common traits amongst late payers and use this to refine the approach to new business.
- 9 Outline the process for e-invoicing deployment, including internal resources and systems/processes impacted by this.
- 10 Set out timings, costs, return on investment window, and internal sponsors for the project.



Technical considerations

Like any modernisation of business processes, the implementation of e-invoicing requires a deep understanding of existing processes and a sensitive approach to customers.

The technical deployment must appear seamless to customers, preserving confidence and encouraging them to accept the new electronic formats offered.

- 1 Picking your media**
- 2 EDI, XML or other e-invoicing standards?**
- 3 Supporting legacy formats**
- 4 Integration**
- 5 Preventing disaster**

1



Picking your media

Deploying an e-invoicing solution needs to start with a discussion of which electronic formats to support and how to design these (in cases such as PDF or email). Whilst specific EDI standards might be perfect for some customers, there will be others who prefer a PDF attached to email (in 2020, two-thirds⁴ of e-invoices sent in the US were of this format). There may even be a few customers who refuse to accept electronic format at all yet!

In an ideal world, you should select an e-invoicing partner who can help you deliver invoices in any possible format. However, if you don't have this luxury (if you are developing a solution in-house) then you will need to survey your key customers to understand their preferred formats and retain your existing format delivery for any who do not want to move to e-invoicing yet.

2



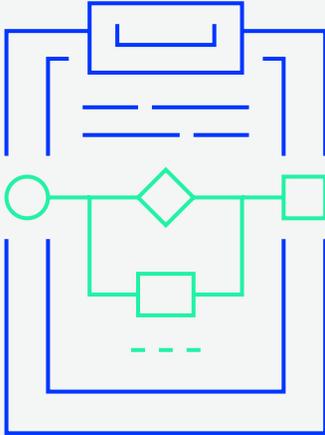
EDI, XML or other e-invoicing standards?

There are hundreds of different e-invoicing standards and this number will continue to grow. Staying on top of the growing list of standards, and versions within each standard, can be a full-time job. Indeed, an expert e-invoicing partner can afford to allocate the time and expertise to work with any EDI, XML or other e-invoicing standard because this effort is shared across their client base.

From 2019, all invoices delivered to businesses in Italy had to adhere to the FatturaPA standard and to be submitted to the official exchange system – Sistema di Interscambio (SdI). Germany has a similar requirement for public sector invoicing, requiring adherence to standards XRechnung or ZugFeRD 2.0 from November 2020. Several other EU countries require or will soon require similar electronic delivery.

A more detailed explanation of EDI, XML and other e-invoicing standards, formats, and protocols and their relative merits can be found in our [EDI and XML invoicing eBook](#), or you may want to discuss directly with an e-invoicing expert such as [Corcentric](#).

3



Supporting legacy formats

Given the maturity of e-invoicing, it seems almost churlish to describe any format as 'legacy' but as standards move on, earlier and more simplistic electronic formats will fall into this category. If you need to support customers who require specific, non-standard, electronic formats, it's important you select an e-invoicing partner flexible enough to handle this.

Probably the best example of a true legacy format is the need to print and post a percentage of invoices, even after deploying an e-invoicing solution. Selecting an e-invoicing partner that supports print-and-post, ideally as an off-site managed service, means print just becomes 'another format' (albeit more expensive than electronic delivery) and can be managed like any other.

4



Integration

Integration timeframes vary considerably between e-invoicing solutions. Selecting an e-invoicing partner familiar with your accounting software or protocols can significantly reduce time to deployment, as well as mitigate risk.

Integrating with buyers' systems can also add significant load to a project. Again, this is an area where careful selection of a partner or solution can save significant time. Choosing who or what to work with, based on proven integration experience, will mean a faster and more professional deployment.

5



Preventing disaster

Invoicing is one area of the business that simply cannot afford to fail. Without the lifeblood of cash flow, a business will starve quickly. An e-invoicing system must be highly secure, regularly backed-up, and have resilient disaster recovery and robust business continuity plans. If outsourcing e-invoicing to a network partner, there should be a detailed service level agreement (SLA) in place to assure high availability and minimise exposure to risk.

In some cases, it is the outsourced, off-site nature of the e-invoicing solution that preserves this critical function even when other business processes have been less successful. The leading e-invoicing solution providers will meet specific ISO or other compliance requirements to provide total assurance.

09

Pitfalls and challenges

The challenges of e-invoicing have historically limited its adoption, but as countries such as Italy, Germany start mandating e-invoicing, it's plain to see that the future is already here. Failure to adapt to change and move to e-invoicing will soon become a more pressing threat to business than the perceived challenges in the deployment process.

- 1 The dangers of DIY**
- 2 Handling a new media or format request**
- 3 Moving customers to e-invoicing**

1

The dangers of DIY

The sensitive nature of invoicing data and customer contact highlights the question of whether it is better to manage the whole e-invoicing process in-house. In order to develop and maintain an e-invoice solution in-house, a significant investment would need to be made in recruiting individuals with relevant experience, as well as an ongoing training budget to keep abreast of developments. For most businesses, this is impractical.

Invoicing is such a critical function, there can be no room for error. Businesses typically look for expert solution partners to guide them around the pitfalls and challenges that can present themselves.

2

Handling a new media or format request

Given the pace of change in the market, it would be a risk to assume an initial set of e-invoicing formats will remain unchanged over time. The best e-invoicing solutions need to be highly adaptable and quickly able to support new invoicing formats.

When evaluating an e-invoicing partner, it is important to understand the potential future costs of delivering new invoice formats or modifying templates within an existing framework.

3

Moving customers to e-invoicing

Onboarding and achieving a fast adoption of e-invoicing from your customer base is crucial to seeing a fast return on investment. Whilst this process is often considered a 'value add' from most e-invoicing partners, it is a crucial element in a successful rollout.

Typically businesses achieve a 60 percent adoption of e-invoicing within three years⁵, but some e-invoicing partners regularly achieve over 80 percent within one year. The difference in this rate of uptake can have a profound impact on the success of the project.

10

Roll-out and training

As mentioned in the previous section of this eBook, onboarding of customers is crucial to the success of your e-invoicing initiative. Beyond this, there are internal change management considerations to ensure smooth running of the new process, as well as the opportunity to capitalise on new opportunities afforded by this.

- 1 Internal process changes**
- 2 Redistributing AR time**
- 3 Managing online**



Internal process changes

The automation implicit in any e-invoicing solution greatly reduces the invoicing workload for any given business. Whilst automation vastly improves invoicing efficiency, it does not remove the need for human involvement to resolve invoicing problems.

E-invoicing affords a management-by-exception approach to invoicing, creating the need for resources to respond swiftly to alerts. Additionally, more emphasis is typically placed on the analysis of invoicing timings, presenting opportunities to refine and improve through direct action.



Redistributing AR time

As the invoicing process becomes increasingly automated and removes the requirement to print and post invoices, accounts receivable teams are able to focus on more profitable activity, such as chasing late payments and managing exceptions.

Whilst the move to a more integrated and automated invoicing process reduces opportunities for human error, there will still be occasions where a human touch is required to make contact and update customer details.



Managing online

E-invoicing presents a wide range of insight, analytics, and management opportunities. An important step in the rollout is the configuration of the admin portal/console for each user.

In some cases, various users may need different levels of access; some with view only and some, perhaps, with the option to resend invoices or manually update information. In some cases, there may even be a requirement to manage multiple business units, offices, or brands through one administrative interface.

The requirements of the management portal, and user roles, should be clearly defined before the project commences in order to enable a smooth and informative training programme for users as part of the rollout.



11 Selecting the perfect e-invoicing partner

E-invoicing needs evolve. When selecting an e-invoicing partner, think long term. The value and sensitivity of the invoicing processes in your business require an expert touch, so look carefully at credibility, as well as solution capabilities.

And remember, the purpose of moving to e-invoicing is to improve efficiency, simplify processes, and accelerate cost-effectiveness. Your business should consider an e-invoicing partner that is professional, efficient, and experienced enough to support your goals.

- 1 Flexibility**
- 2 Integration process**
- 3 Credibility**
- 4 Value-add**



Flexibility

Every business is different, and your invoicing processes will require a degree of flexibility and learning from any e-invoicing partner. Scoping out the project in detail before you start is crucial for success. Ensure that you understand just how flexible your e-invoicing partner can be in order to accommodate any additional requirements now or in the future.



Integration process

The integration process is where the experience of a partner really shows. Integrations should be swift and require minimum involvement from the IT and accounts departments. There will always be questions and customisation, but you are looking for a credible partner who can show evidence of integrating quickly and efficiently, with the minimum of impact on the day-to-day running on the business.

Discussing specific examples with a partner of integrations having similar software and hardware configurations will help to determine their suitability. Can they clearly explain their approach and processes? Do they have customer testimonials to demonstrate previous success? And how long would they estimate the integration process to take?



Credibility

Given the value and sensitivity of the invoicing process, you need to ensure high credibility of any e-invoicing partner. Primary indicators of credibility include how long they have been in business and who have they supported (and testimonials to a job well done). Whilst it's not essential to have experience in your industry, it will be a differentiating factor.

Look for case studies and client testimonials. Ask if you can talk to one of their existing customers and see how they found the process.



Value-add

Beyond the core e-invoicing services, it's important to look at other areas where an e-invoicing partner can assist your business. An ideal partner go beyond the basic deployment and ensuring good levels of customer uptake.

When evaluating potential e-invoicing partners, consider the following questions:

- + How do they measure success, and does this fit your business goals for e-invoicing?
- + What support is provided at rollout?
- + How do they encourage customer migration to e-invoicing and what success stories can they cite to support this?

More detailed points to evaluate e-invoicing providers can be found in this [checklist](#), free to download from the Corcentric website.

Anything that expedites the customer onboarding process will result in a shorter time to profit, and enable the business to realise ROI more quickly.

As businesses become more reliant on data-driven insights, it's valuable to select a partner that either offers a good level of reporting and analytics within the solution or can connect invoicing data to other systems within the business to provide insight.

Sources:

¹ E-invoicing Market Forecast to 2027

² Atradius Payment Practices Barometer UK 2020

³ North-America-E-Invoicing-Market-Forecast

⁴ Billentis: The E-Invoicing Journey 2019-2025

⁵ Billentis Report – e-invoicing / e-billing entering a new era (2015)

12

About Corcentric EIPP

Corcentric EIPP, is a managed service dedicated to streamlining, automating and enhancing business invoicing, from delivery, through to payment. Corcentric EIPP ensures accurate and efficient delivery of invoices to your customers in the medium which suits them.

Beyond saving time and cost through invoice automation, Corcentric EIPP enables a risk-free and seamless shift towards electronic invoicing, reducing errors and driving down DSO.

Corcentric EIPP also removes the classic challenges of document storage and retrieval for auditing and compliance. Businesses depend on Corcentric EIPP to provide secure online access to their document distribution history, facilitating ease of reporting, performance analysis and proof of delivery amongst a range of other document management functions.

Headquartered in the US, Corcentric helps more than 2,000 of the largest companies leverage smarter technology and services to reduce operating costs, improve cash flow, and unlock the hidden value within their enterprise.



corcentric™

**WHAT COULD IT DO
FOR YOU?**

Let us show you AP
automation in action.

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