



The UK e-Invoicing Advocacy Group was set up in 2010 as a self-funded initiative of industry associations, public sector bodies and solution providers to promote e-Invoicing in the UK public and private sectors. Our mission is to help UK public bodies and commercial enterprises of all sizes save money and understand the benefits of replacing paper invoices with wholly electronic transactions.

It is our intention to champion and advocate widespread adoption of electronic invoicing between buyers and sellers of goods and services. The UKeAG promotes the benefits of e-Invoicing to the UK Public Sector and the wider UK economy, meeting regularly at the Houses of Parliament and the Department for Business. As the official UK forum on e-Invoicing, sponsored by the Department for Business, we delegate the UK participants that provide expert input to the current EU Commission Multi-Stakeholder Forum. Our UK delegates lead the working group on best practice within EU Commission Forum and our participation ensures that emerging EU policy and regulation supports UK public and private interests.

We are committed to help commercial enterprises and public bodies of all shapes and sizes to understand the business case and benefits for electronic invoice adoption, in particular reducing the administrative burden on small and medium-sized enterprises and to promote a lively and innovative UK market for the provision of relevant solutions and services. The benefits of electronic invoicing are clear;

- *Substantial cost savings through reduction in manual work, material and transport costs.*
- *Additional cost savings from fraud and loss prevention, and lower auditing costs for trading parties and tax authorities.*
- *Enabling of accelerated payments, improved cash flow and reduced credit losses for both large and small enterprises. E-Invoicing could unlock the potential for new collateralised lending services at a time of subdued growth in traditional credit products, especially for SMEs.*
- *Raising productivity and customer satisfaction in both the public and the private sector, and improving UK competitiveness overall.*
- *Enabling workforce transition to more productive activities and a learning vehicle to increased use of electronic practices throughout the public and private sectors.*
- *A direct contribution to carbon savings and resultant environmental gains*

Through this series of case studies the UK e-Invoicing Advocacy Group aim to show that electronic invoice automation is not a new concept, and that best-in-class organisations are gaining competitive advantage.



Aviva processes over half of invoices electronically

Previously known as Norwich Union in the UK, Aviva is the world's sixth largest insurance group and the largest insurance provider in the UK today. The original invoice process for Aviva was completely paper-based prior to the introduction of e-Invoicing. This made the process entirely manual, requiring 10 full time employees to enter invoices onto an Oracle system.

With One of the main issue with this process was that there was no tangible audit trail. Invoices would be sent to Aviva and often not to accounts payable so could get lost and not found for days simply because they would be on someone's desk. This would lead to suppliers getting frustrated as many would not know when they would be paid, or even if their invoice had been received.

Aviva's objectives were simple. Firstly, it wanted to reduce costs in the invoice process while maintaining the control framework that it worked within. Aviva was also looking to increase the number of suppliers who were being paid on time by processing invoices quicker and to reduce the costs of archiving.

Aviva looked into a number of different methods to help improve their invoice process and to meet their objectives. Scanning, OCR and an in-house solution were all considered, but refused for varying reasons. OB10 was selected on a number of criteria; OB10's experience with Oracle, its reputation for handling supplier enrolment and its global capabilities, Aviva felt that OB10 e-Invoicing was the only option.

Additionally, with OBconnect it means that OB10 would not just work with Aviva's existing Oracle and workflow systems, but also that of its suppliers. It was key to Aviva and the success of the e-Invoicing project that suppliers of all sizes were able to send invoices via the network.

The other reason OB10 was chosen was due to its expertise and proven results achieved with supplier enrolment. This meant that Aviva did not have to worry about enrolling suppliers to the network as OB10 would do this on their behalf.

Summary...

Aviva had a completely paper-based process prior to e-Invoicing.

By removing manual tasks and wasteful paper their invoice processing costs have been reduced and suppliers are paid on time.

Currently 55% of invoices are processed electronically and this is expected to rise to 65-70%

Cost reduction of the overall invoice process has been achieved by a 40% reduction in head count, with many of the staff being reallocated to other areas of the company.



Tom Boosey, Accounts Payable Service Development Manager at Aviva said: “Thanks to OB10’s supplier enrolment scheme, signing up suppliers was made easy. This also presented us with the prospect of implementing the network globally in the future as suppliers could be enrolled and supported in their local language. Additionally, OB10 made sure that the network fitted in with our existing Oracle system and workflow. They made it incredibly easy for us to move from receiving paper invoices to electronic invoicing.”

Aviva’s objectives for e-Invoicing was to achieve 66% of invoices being processed electronically, to pay suppliers on time, reduce the cost of archiving paper invoices and reduce the overall cost of invoicing and improve the value added to the organisation across the AP department.

“We’ve seen our relationship with suppliers improve. The cut in costs has been a huge benefit. Obviously in the current climate overheads are always a concern, and the fact that we have managed to reduce them whilst improving efficiency is a credit to OB10.”

Tom Boosey, Accounts Payable Service Development Manager Aviva

Since working with OB10 Aviva has rolled out the e-Invoicing network to all suppliers who send 12 or more invoices per year. Since the beginning of the project, OB10 have managed a series of supplier enrolment campaigns, steadily increasing supplier participation and the invoice volumes delivered across the network. Currently, 55% of Aviva’s invoices are processed electronically and with additional supplier enrolment campaigns, managed by OB10, this number is predicted to increase to 65-70% - exceeding their original target. This increase is forecast to be achieved in just 2 months.

Aviva also uses OB10’s online archive, enabling them to reduce costs even further. Along with the invoice data, OB10 creates a digitally signed invoice image. This is a tax compliant invoice. A copy of this invoice is sent to both Aviva and their suppliers and it stored on the OB10 archive. Aviva is able to store all of their invoices received via OB10 on the archive for the legal period and are able to access the archive 24/7 to use the images for workflow and tax audit purposes.

“OB10 made sure that the network fitted in with our existing Oracle system and workflow. They made it incredibly easy for us to move from receiving paper invoices to electronic invoicing.”

Tom Boosey, Accounts Payable Service Development Manager Aviva

Finally, cost reduction of the overall invoice process has been achieved by a 40% reduction in head count, with many of the staff being reallocated to other areas of the company. As the invoice process is more streamlined, people within the Accounts Payable team are able to focus more clearly on their principal role and add value to the organisation.



Mr Boosey said: “Since joining the network we’ve seen our relationship with suppliers improve. Additionally, the cut in costs has been a huge benefit. Obviously in the current climate your overheads are always a concern, and the fact that we have managed to reduce them whilst improving efficiency is a credit to OB10.”

Due to the success of e-invoicing and the meet with Aviva’s global brand presence, the company can look to the future with the hope of expanding the use of the network globally, firstly in Europe, and then across other continents. By doing this, Aviva will be able to cut cost savings further, as well as improve supplier relationships as more clients will be paid on time.

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Mr Boosey added: “We’re confident that the success of e-Invoicing can be transferred from our UK accounts payable department across to our other countries across Europe. At the moment we are looking into this, but hopefully it is something we can carry out in the near future that will help cut costs and improve efficiency.”

The UK e-Invoicing advocacy group meets on a regular basis and operates in an entirely non-competitive, cooperative space. Our meetings are inclusive of both public and private sector stakeholder interests. We operate in an open, transparent and informal manner.

Whilst addressing an area requiring strategic transformation, the group adopts scoped and realistic objectives. Initiatives undertaken are agreed among the group to be concrete, feasible and effective and their execution always closely monitored.