

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.



McNicholas Rolls out e-Invoicing to 90% of Its Suppliers

McNicholas Construction is one of the UK's Top 100 construction companies; a service provider employing over 1,500 staff and working with a broad base of clients in the utilities, communications, renewables and rail markets. Since the 1940s, they have established a range of professional disciplines with which they develop and maintain the UK's infrastructure, to an annual turnover of approximately £182 million.

With such a strong presence in the utilities sector, McNicholas was receiving an exceptionally high volume of relatively low value invoices and orders, which had to be dealt with in a more efficient manner. They therefore decided to adopt an electronic invoicing solution, to enhance process efficiency and reduce costs.

To better handle this vast number of invoices, Causeway set out to ensure all McNicholas' suppliers could submit their invoices electronically instead. However, as McNicholas' suppliers could be sending anything from one invoice per month to several thousand, it was necessary to ensure there were different connection options to suit this entire spectrum of supplier requirements.

For companies sending a high volume of invoices, Tradex provided a fully integrated system that linked directly with each company's back office system.

"The Tradex elnvoicing service integrates very well with our finance package and really was the best route to go. It was the obvious choice to make, offering a flexible range of solutions to meet the specific needs of our suppliers, many of whom were already existing elnvoicing users."

Andrew Kerr, Finance Director McNicholas

Summary...

e-Invoicing removes the need to manually print, handle and manually key data.

By removing manual tasks and wasteful paper McNicholas invoice processing costs have been reduced.

Within 12 months of the project starting 90% of Accounts Payable suppliers are now submitting electronic invoices.

Solution allows both high and low volume suppliers to send electronic invoices.



For those only sending a few invoices, Tradex offered a free online portal, which affords the same connections into McNicholas as a fully integrated connection.

To further support the rollout process, a website was set up for McNicholas' suppliers, to help them understand the objectives and benefits, whilst exploring the connection options. For high volume suppliers, workshops were held to allow them to discuss the connection options.

“Setting up Tradex was probably one of the easiest implementations we have undertaken. The fact it was an existing tried and tested application, with thousands of users, helped the implementation process run smoothly. Within 12 months of starting the roll out project, 90% of our accounts payable suppliers are using Tradex to submit their invoices to McNicholas. The key to this success was to follow Causeway's advice and be bold within a supportive framework.”

Steve Payne, IT Applications & Development Manager McNicholas

Having implemented Tradex, it was agreed that McNicholas should be bold with their rollout, yet supportive of their suppliers at the same time. In practical terms, this meant that, whilst providing open days, seminars and constant support and advice, McNicholas made it clear that suppliers were required to submit their invoices electronically for them to be processed, matched and paid.

“The main benefit is that we no longer need to employ somebody full time to register the invoices. Tradex eliminates the need to print, handle and manually key in invoices, which reduces the amount of paper that both suppliers and McNicholas use.”

Andrew Kerr, Finance Director McNicholas

By adopting eInvoicing, McNicholas eliminated its requirement for invoice-handling staff, whilst vastly reducing the amount of paper used and time wasted on manually processing invoices.

Now all incoming invoices are automatically validated and returned if they fail the automated checks that were established within the e-Invoice process. These automated checks have allowed McNicholas to ensure that all suppliers are notified of any obvious problems immediately.

This has significantly reduced the time spent in processing invoices and reduced the number of invoice queries with which they have to deal.



“Suppliers need to believe you’re serious about the implementation project. Actually explaining this position balanced with a cooperative supplier engagement, rather than a purely dictatorial stance, was integral to the process.”

Andrew Kerr, Finance Director McNicholas

The validated invoices are also available to be reviewed far earlier than had previously been possible. This allows any remaining issues to be resolved more quickly, leading to improved relationships between customer and supplier.

McNicholas is keen to achieve a 100% adoption of eInvoicing amongst its suppliers. They see the next step as being an investigation into the further benefits from improving the matching of orders to invoices. They have already talked to Causeway about Tradex supporting the automated matching of orders, invoices and potentially GRNs in the future.

“We would recommend eInvoicing and the Tradex platform to anybody. It’s certainly the way forward if you process a high volume of transactions. The key to success is good project management; a good team and a good plan. The project manager needs time to spend on the implementation, but this greatly improves the outcome.”

Andrew Kerr, Finance Director McNicholas

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.