

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.

Imperial College London reduce invoice processing costs by 40%

Ranked by the Times Higher Education Supplement as 5th in the World University Rankings, Imperial College is a leading university for education and research in science, engineering and medicine, with particular regard to applications in industry, commerce and healthcare.

Through interdisciplinary collaboration internally and externally, Imperial College brings together expertise to aid scientific advancement on a global scale.

Innovation and progression are at the heart of Imperial College's culture. As such, it is constantly looking for ways to improve processes and productivity, which includes the University's Accounts Payable workflow.

An internal review of Accounts Payable in 2005 highlighted inefficiencies and superfluous processes which could be improved to increase productivity and reduce costs.

The University's accounts payable system was entirely manual, processing 170,000 paper invoices each year. The finance team was required to key in, photocopy and re-post the invoices to administrators. As well as wasting paper, the procedure was expensive at approximately £2.50 transaction cost per invoice processed.

The challenge for Imperial College was to find a way of automating the accounts payable process, which would reduce costs, speed up the payment process and remove the volumes of paper.

Imperial College reviewed various options and decided to switch to e-Invoicing to reach the set targets for improving the accounts payable process. Automation would provide a high level of matching, and streamline the internal authorisation process.

Summary...

Imperial College London have seen their paper invoices fall from around 170,000 to under 30,000.

The percentage of invoices that have been converted from paper to electronic processing has grown 82% with scope for further improvement.

By removing manual tasks and wasteful paper their invoice processing costs have been reduced from over £2.50 per invoice processed to under £1.50.

The University are now targeting small volume suppliers which helps the Institute to be more environmentally friendly by reducing the amount of paper and associated storage.

By implementing electronic invoicing, Imperial College switched 82% (140,000) of its invoices from being processed and stored manually to the new electronic platform. At the same time Suppliers are notified via email whether their invoices have been successfully submitted or not.

The authorisation process was also improved, which has reduced unnecessary administrative procedures. Moving to e-Invoicing has helped Imperial College to reduce its transactional costs to below £1.50 from the original £2.50.

“We were able to achieve a 40% reduction in invoice processing costs. Furthermore we benefited from the single approach of the network for the receipt of invoices by integrating and leveraging existing systems.”

John Whitlow, Head of Purchasing Imperial College

To further streamline the accounts payable process, Imperial College plan additional releases targeting invoices from their small volume Suppliers. With a Web Form solution, allowing them to submit their invoices online, Imperial College can target even the smallest Supplier. Finally, this will help the Institute to be more environmentally friendly by reducing the amount of paper and associated storage.

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.