

E-Invoicing

When it came to drafting this article, it was realized after the first few lines that a faithful facsimile of the excellent Billentis report was being created. Having asked permission of the author there is no apology made in providing the Billentis report for this chapter on Electronic Invoicing.

There are three non-coordinated European Union initiatives that all have the same objective to move money faster from seller to buyer. These are the Late Payment Directive, SEPA and Electronic Invoicing. It can easily be argued that e-invoicing is the cornerstone of the other two.

The EU inform us that millions of Euros are either paid late or not paid at all , all companies are actively looking to reduce cost . So why is there so little acceptance and usage of e-invoicing?

Some of the arguments against are:

My customers won't accept it

My customers don't have a PC

It is too expensive

We have more than one ERP

The laws in country X or Y requires certain additional actions

None of these arguments really stand up in these days of Wi-Fi, Smart phone and Apps.

We all have to accept electronic process in our personal lives and those of our customers . How many people get paid in cash today, use direct debits , get paid by BACS , send email or SMS rather than letter and so on.

E Invoicing really is a "Field of Dreams" situation , "Build it and they will come".

E-Invoicing is not just about sending an invoice. Consignment notes or delivery notes , POD's can be attached too. All these documents can be stored in a repository and the customer can retrieve then at any time day or night. This means an end to copy requests.

Even at this stage there are so many savings in not printing invoices, putting them in envelopes and sending them and the 10% copy requests.

It is possible to log when the invoices are opened, the customer can confirm payment or dispute via connected workflows .

Reports on cash flow can connect to real time dashboards thus helping management in viewing where cash shortages can be expected and why. Proactive and reactive reminders can be automatically sent at predetermined times.

Many buyers are actually demanding that invoices be sent electronically so they need to commit less time and resource to the processing of paper and are achieving their goal by deducting penalty fees of EUR 10 or EUR 20 per invoice.

As a credit manager you become an even greater asset to your organization because E-Invoicing is the key to greater visibility of your customers' payment habits with the resultant control and a much reduced cost than today.

We increasingly embrace web based ,cloud based , SAAP and so on. E –Invoicing is another part this evolution which cannot be avoided and can only be beneficial.