



eInvoicing Delivers Sustainable Benefits and Boosts Business Agility

PROACTIS EGS eInvoicing helps Essex County Council to maximise compliance and streamline processes

Goals

- Introduce eInvoicing as the final link in purchase-to-pay strategy
- Gain cashable savings through automation
- Find ways to on-board 15,000 suppliers with different technical capabilities
- Deliver stronger compliance and greater visibility of invoices
- Introduce software that was easy to use for council staff

Profile

As one of the largest local authorities in the UK, Essex County Council spends around £930m each year on goods and services. Essex was an early adopter of eProcurement, launching a standalone solution in 2002 and using its Cedar e5 Financials system for payments. But electronic invoicing (eInvoicing) wasn't introduced until later.

Challenge

Essex wanted to introduce eInvoicing as the final link in its purchase-to-pay (P2P) process as part of its corporate procurement transformation programme. Cashable savings were anticipated, plus compliance and efficiency benefits.

Accounts Payable teams were spending hundreds of hours each week in re-keying, processing, and archiving paper invoices. The process was not only labour intensive but presented some compliance issues, audit trail challenges and limited visibility.

Essex also required an eInvoicing solution that would be cost-effective to roll-out on a massive scale – and engage with all suppliers at various levels of technical capability.

“Getting thousands of our suppliers to sell online is one thing; asking them to submit their invoices electronically required a deep understanding of all the technology and business issues involved,” says Nicole Edbrooke, Head of Purchase to Pay at Essex County Council.

Why PROACTIS EGS Solution?

Essex needed an eInvoicing partner and chose EGS, which is now part of the PROACTIS Group.

EGS provided a comprehensive, proven and robust eInvoicing solution. It offered scalability, combined with a clear development roadmap and the opportunity for the council to influence future system enhancements.

“EGS has a deep sector expertise of end-to-end P2P solutions and it was the next logical step for us to work with them on eInvoicing,” explains Nicole Edbrooke.

“eInvoicing is no longer a ‘project’ - it’s business as usual. Processes have been streamlined. We’re making substantial savings each year and lifted a significant workload from Accounts Payable staff and from across the business as a whole.”

Nicole Edbrooke, Head of Purchase to Pay, Essex County Council



Results to Date

- eInvoicing has become standard business practice
- 135,000 invoices processed electronically per annum
- Savings of hundreds of thousands of pounds every year
- Ability for council users and suppliers to track the status of invoices
- Greater compliance over the raising of purchase orders
- Signing up for eInvoicing is now mandatory among all new council suppliers
- Paperless office enables mobile and flexible working for council employees

Approach

The council engaged with its 15,000 suppliers, providing a range of eInvoicing methods with EGS:

- Large, technically-advanced suppliers benefited from system-to-system XML connections implemented by EGS. These companies were able to make a compelling business case within their own organisations
- Small and medium-sized suppliers used a web portal where purchase orders sent to them by the council could be 'flipped' into a ready-made eInvoices
- Other suppliers were brought on-board using scanning and advanced OCR (optical character recognition) to harvest their paper-based invoices into system-ready data

"One of the main benefits of the PROACTIS EGS eInvoicing solution is its ease of use for suppliers. We've made sure we do not alienate smaller businesses or fail to integrate with larger ones," says Nicole Edbrooke. "Engaging with suppliers was easier than anticipated. Most small and medium-sized enterprises (SMEs) were won over quickly. They recognised that more business today is becoming electronic and they also valued the ability to track the status of invoice payments online."

The council's supplier team of 3-4 people contacted suppliers by phone and email. Guidance on how to submit eInvoices was also provided by presentations, a video, drop-in sessions and one-to-one support where needed.

"For eInvoicing to run smoothly, the council also had to become compliant itself - with employees raising purchase orders at the right time," adds Nicole Edbrooke. "Getting the support of the council's procurement team was key, through management meetings and encouragement." As a result, only 5% of purchase orders were being raised after invoices were received.

The support of procurement colleagues also helped to embed a requirement for eInvoicing for tenders and within the council's standard terms and conditions.

Results

"Switching from manual, paper-based systems to electronic invoice management has enabled us to 'close the loop' in our P2P lifecycle and achieve some of our biggest savings to date," says adds Nicole Edbrooke.

To date, of the 190,000 invoices it receives per year from its eProcurement system, Essex processes about 70% (135,000) electronically. The majority are via the XML and PO Flip methods with just under a third using OCR. All eInvoices that pass the three-

way matching process (order value, receipt and invoice value) are paid automatically.

The council now enjoys a wealth of benefits:

- Essex continues to benefit from significant savings every year, thanks to eInvoicing
- Previously, a large team processed invoices. Now only a handful of people are needed to deal with anomalies and enquiries. Employees have been re-deployed to more valued-added roles or positions have ceased through natural wastage
- Paper and postage costs have been minimised. Because records are stored digitally, the physical space previously required to store over one million invoices has been freed up
- The council's budget-holders and users, as well as suppliers, have full visibility of the status of invoices
- eInvoicing has helped to drive compliance: the need for council employees to raise purchase orders at the correct time has been embedded within processes; meanwhile all suppliers have to agree to use eInvoicing if they want to sell to the council
- The council's P2P team was able to move to mobile and flexible working, helping to transform the way it works. This was thanks in part to the paperless offices created by eInvoicing

Looking Ahead

For Essex, eInvoicing has matured to become a business-as-usual activity, essential to the smooth-running of the organisation. The council hasn't looked back.

All new suppliers now have to sign up for eInvoicing as part of their standard terms for working with the council. Meanwhile, Essex continues to encourage existing suppliers that use OCR to migrate across to the more efficient, purer forms of eInvoicing.

"We found it was a relatively quick-win to make cashable savings. PROACTIS EGS eInvoicing also gives us the agility and flexibility to scale our service to meet demand," says Nicole Edbrooke.