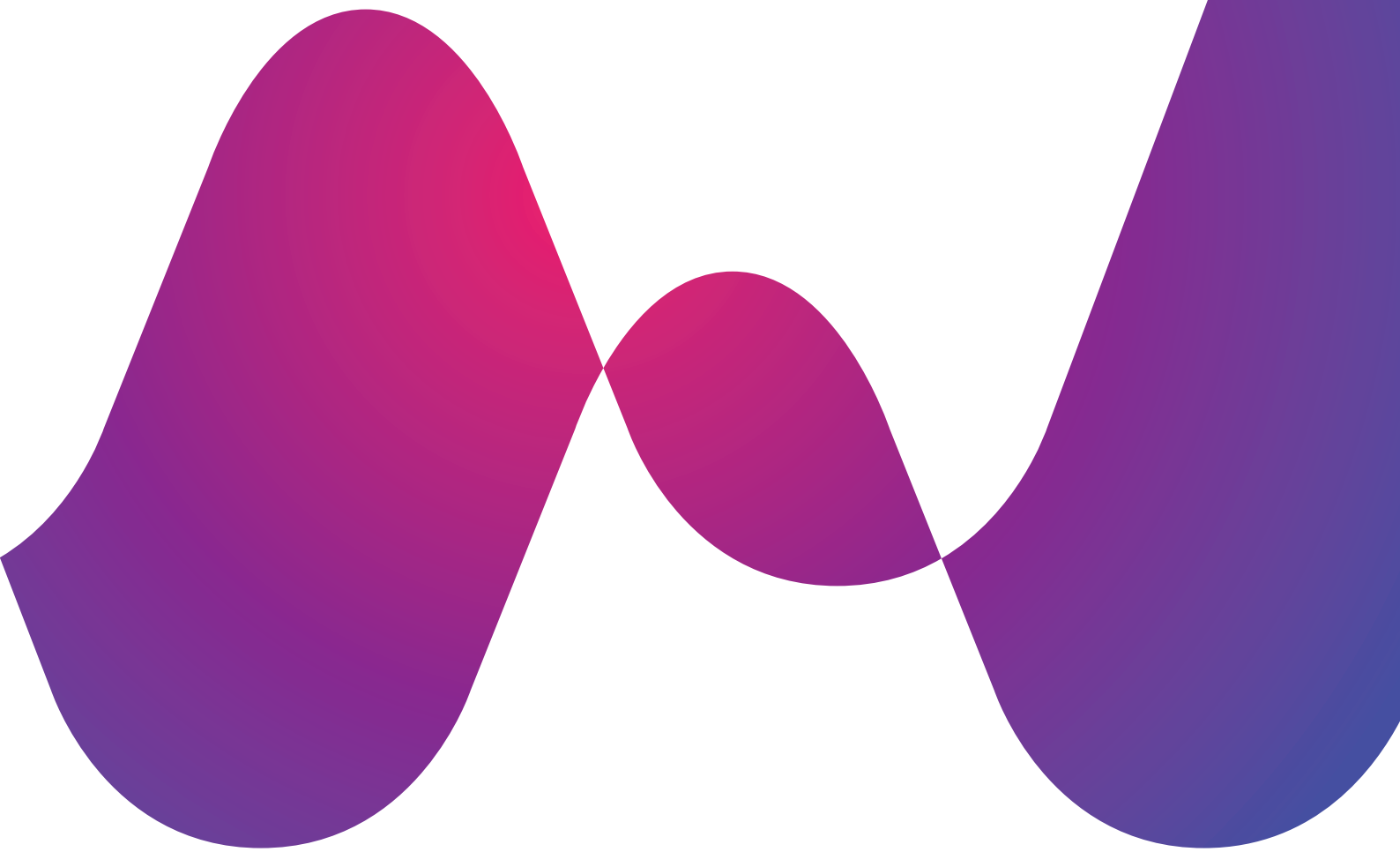
WorkFlowWise

Invoice Processing 2.0

From operational chaos to robotic accounting



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1. Invoice Processing today

Modern invoice processing comes in a variety of shapes and sizes. As a procurement service provider, we have seen growing differences in the increasing range of applications available on the market.

Due to the availability of the internet and the cloud, there are many applications in the market in recent years that approach invoicing in a variety of ways. This wild growth has also contributed to the fact that there is currently no best practice.

In 2008, the European Commission predicted that a "successful European e-invoicing initiative" leads to "the savings estimated at around EUR 64.5 billion per year for businesses." Therefore a standard was introduced in 2014, to enforce companies to invoice electronically to the European Union. The directive does not apply to national invoicing, but this European standard is a big step in the right direction.

1.1 The second generation of digital invoicing

We can conclude with certainty that e-invoicing is a known cost-savor, especially compared to the paper-variant. And yet, the most common situation we experience at organizations is manual, paper-based invoicing (which is sometimes supported by a simple solution without advanced automation).

While we're already speaking of a second generation e-invoicing – driven by the rise of cloud computing – many companies haven't even switched the first generation solutions.

1.2 Adoption of invoicing technology

Looking at Rogers Adoption Curve (p.3), the market is currently in the Late Majority phase with regard to the first generation. The second generation is still in the Early Adopter phase.

This new generation of applications is more accessible and user-friendly, not anymore exclusive to enterprise companies. By processing invoices in the cloud, it is now possible to approve

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Rogers Adoption Curve

INNOVATORS	EARLY ADOPTERS	EARLY MAJORITY	LATE MAJORITY	LAGGARDS
2.5%	13.5%	34%	34%	16%
Innovators are enthusiasts, and they desire to be the first to use the latest technology. They represent a tiny percentage of the market.	Early Adopters are those who enjoy new innovations and are comfortable taking social risk but are largely motivated by its potential to drive their success. They are very influential in the marketplace, acting as trendsetters.	The Early Majority is made up of pragmatists who adopt new innovations only after it is proven and they feel comfortable that it won't put them at risk. They are the largest segment of the market.	The Late Majority are conservative thinkers who are risk averse and extremely cautious when using anything new. They not only want to see demonstrable results, they need to be reassured that there is next to no risk. They also represent a large portion of the market.	Laggards only use new technology if forced, and then do so kicking and screaming. They are a small audience.

invoices everywhere using mobile apps. Information is always up-to-date through live integrations with ERP systems. Stakeholders can make better, informed decisions.

1.3 The reason for developing a maturity model

What does digital invoice processing mean exactly? The available options are plenty; From simple PDF invoices to a fully robotized e-invoicing process. That and everything in between is called digital invoice processing nowadays.

To get insight into the current market, we have developed a maturity model that we use to define an organization's invoice processing sophistication and capabilities. The model is based on our own observations and 20 years' experience of implementing invoice processing software.

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2. Three phase maturity model for invoice processing

The maturity model is divided into three phases of incremental ability and sophistication. These phases differ in degree of digitization and automation, with the final phase being a fully robotized, digitized process that requires minimal human interventions.

1. Operational chaos – no digitization of invoice processing
2. Digital evolution – partly digitized invoice processing
3. Robotic Accounting – complete digitization and automation

The third category, whereby the entire process is digital and automatic, is not yet common, but more accessible than ever.

An interesting component of digital invoicing is its two-sidedness. Both Seller and Purchaser benefit from an efficient handling of payment.

And even though most organizations are not large enough to enforce a particular payment method, any organization benefits from digitizing its processes – The savings are immediate, not somewhere in the future.

3. The 3 phases

Operational chaos

The facts:

- Total processing time: 14,7 days
- Total cost per invoice: € 21,21

Typical characteristics:

- Lots of paperwork
- Invoices come in through the postal service and go out the same way
- Email invoices are printed out
- Invoice data is entered manually

Digital evolution

The facts:

- Total processing time: 8,8 days
- Total cost per invoice: € 8,75

Typical characteristics:

- Most invoices are sent by email and imported from the email inbox into accounting applications
- Invoice recognition is used to read data from invoices and accelerate data entry
- Invoices are sent digitally for approval
- Invoices are stored digitally

Robotic accounting

The facts:

- Total processing time: 3,7 days
- Total cost per invoice: € 3,64

Typical characteristics:

- Most invoices come in as a data file (XML, EDI or UBL)
- All paper and PDF invoices are read by OCR
- Booking and matching invoices goes automatically through the use of robotic accounting (smart algorithms)
- Human interventions only occasionally necessary

- operationele chaos

- Paper invoices get lost in the organization
- Printing and posting of invoices costs time and money
- Precious space is required for physical archiving
- Manual data entry takes time and is error-sensitive

+ digital evolution

- Fewer invoices are lost because they are better traceable
- Invoices are no longer sent by postal service
- Data invoices are no longer manually entered due to scanning and recognition technology OCR (Optical Character Recognition)
- Better control over spending with digital insights and automatic audit trails

++ robotic accounting

- Booking, matching and checking invoices is automatic and robotized
- People can focus on the occasional miscue
- Automation can result in 40x faster invoice processing

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4. The benefits of digitized invoice processing

Fewer mistakes
Automatic scanning and recognition of invoice head and line data minimizes manual input. Checking the invoice is faster and easier.

Always in control
Invoices never get lost again. The digital archive is always up-to-date and automatically creates an audit trail every step of the way, including approvals and time stamps.

Digital archive
The digital archive gives a complete insight into every invoice that has ever been booked. Audits are quick and without surprises. And there is no more need for a physical archiving room – Which can free up quite some space at certain companies.

Pay on time
Less manual input leads to faster invoice processing. Notifications inform the next in line to perform a task, such as approving the purchase order. If they have the app installed on their mobile, they can finish this task anywhere with an internet connection.

Lower cost
A guaranteed faster processing time enables the organization to make better price agreements with suppliers, who are confident that they get their payment on time.

No more manual input
When all invoices are e-invoices, the system can match the data with ease and minimize errors.

No paper
Paper is retired in the ultimate form of robotic accounting. No more invoices by postal service and no more printed invoices either. Everything is digital, via UBL or EDI.

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5. Getting started with Invoice Processing 2.0?

Want to get started with invoice processing 2.0? There's no need to purchase new accounting software. An add-on to the current financial system is adequate.

With GO-Spend we offer a cloud application that minimizes manual operations. Every user has rule-based insight into the available budget, see which contracts are about to expires, they can request POs and process invoices. All in one place with one application.

GO-Spend can enrich the existing accounting or financial package with features that are now missing or insufficient. Since 1997, we have helped hundreds of organizations make their processes more efficient and give them back control over purchasing in the organization. The result is a better grip on spending.

GO-Spend offers functionalities in the areas of:

- Invoice processing
- Invoice matching (matching purchase order with received goods)
- OCR-as-a-Service
- E-invoicing hub (for receiving and provessing e-invoices)
- Crowd accounting robot
- Procurement/e-Procurement
- Budget monitoring
- Contract Management
- Digital expense claims via mobile apps

The functionalities are described on our website, so check out GO-Spend page for more informational if you're interested.

The Robotic Accounting white paper gives a detailed introduction of the possibilities with working digital and automated.

6. About us

WorkFlowWise

In a world of digital disruption, business and IT leaders need to constantly look for new ways to create value and maximize business performance. WorkFlowWise uses cloud technology to take workflow automation to a new level that unlocks and delivers digital advantage. Our solutions are quick to develop and implement; easy to integrate and use; straightforward to change and manage. They can be extended throughout a customer value chain to create customer intimacy and engagement.

Our any-device, any-browser-based solutions enable back office burdens to become effective business processes that open new opportunities. By taking a thoughtful approach to automating a workflow end to end, you can speed up processing, reduce manual interventions, mitigate risk, decrease costs and uncover precious activity that adds value to your business.The result is operational efficiency and better business performance.

WorkFlowWise**GO**

Ready-made, ready-to-use apps for everyday business processes.

www.workflowwise.com/ready-made-apps-for-business-processes

WorkFlowWise**FLEX**

Customized solutions to automate the workflowsunique to your organization.

www.workflowwise.com/workflow-solutions

WorkFlowWise**CORE**

Build your own workflow apps with WorkFlowWise CORE.

www.workflowwise.com/application-platform-as-a-service

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