



Paper invoices have NO future - top priority in EU

The Standards Edge

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# Paper invoices have NO future

1. E-invoicing is a top EU priority - for obvious reasons
2. SMEs in focus
3. How to proceed fast
  - *Mindset*
  - *Equal treatment of e- and paper invoices*
  - *Network*
  - *Standards*

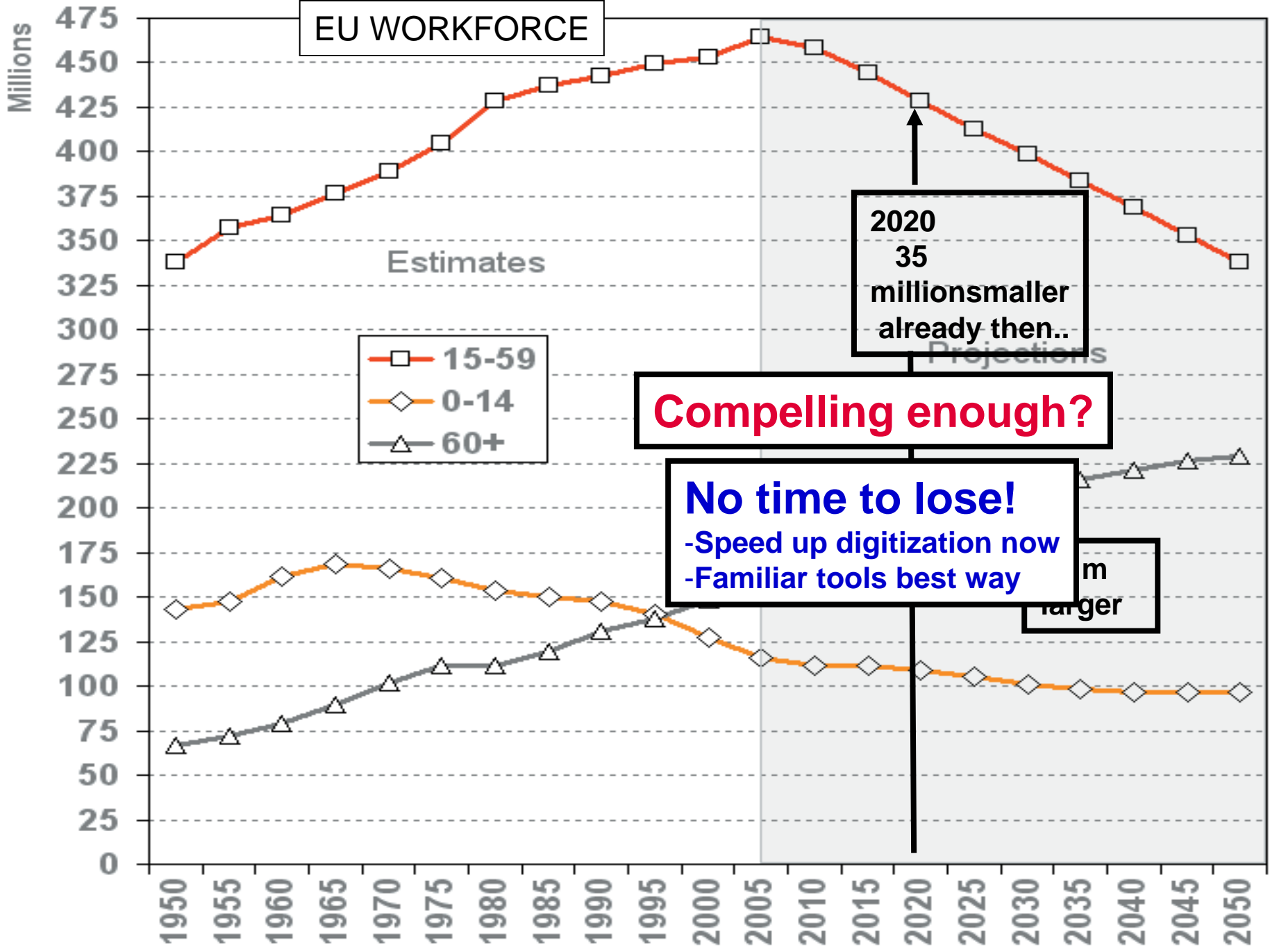
# Fundamental Mega-class arguments for e-invoicing:

1. EACT: "243" billion **first-line cost-saving** potential in b2b + 30-40 billion in b2c
2. **better service** - increasingly precondition for doing business (**mandatory** already in public sectors in 6 countries)
3. 2.800.000 tons smaller **CO2 footprint**

4. **Learning for innovation** - by doing - just in

Each one compelling on its own - time for action!!

5. EU demographics - **liberating** for productive work



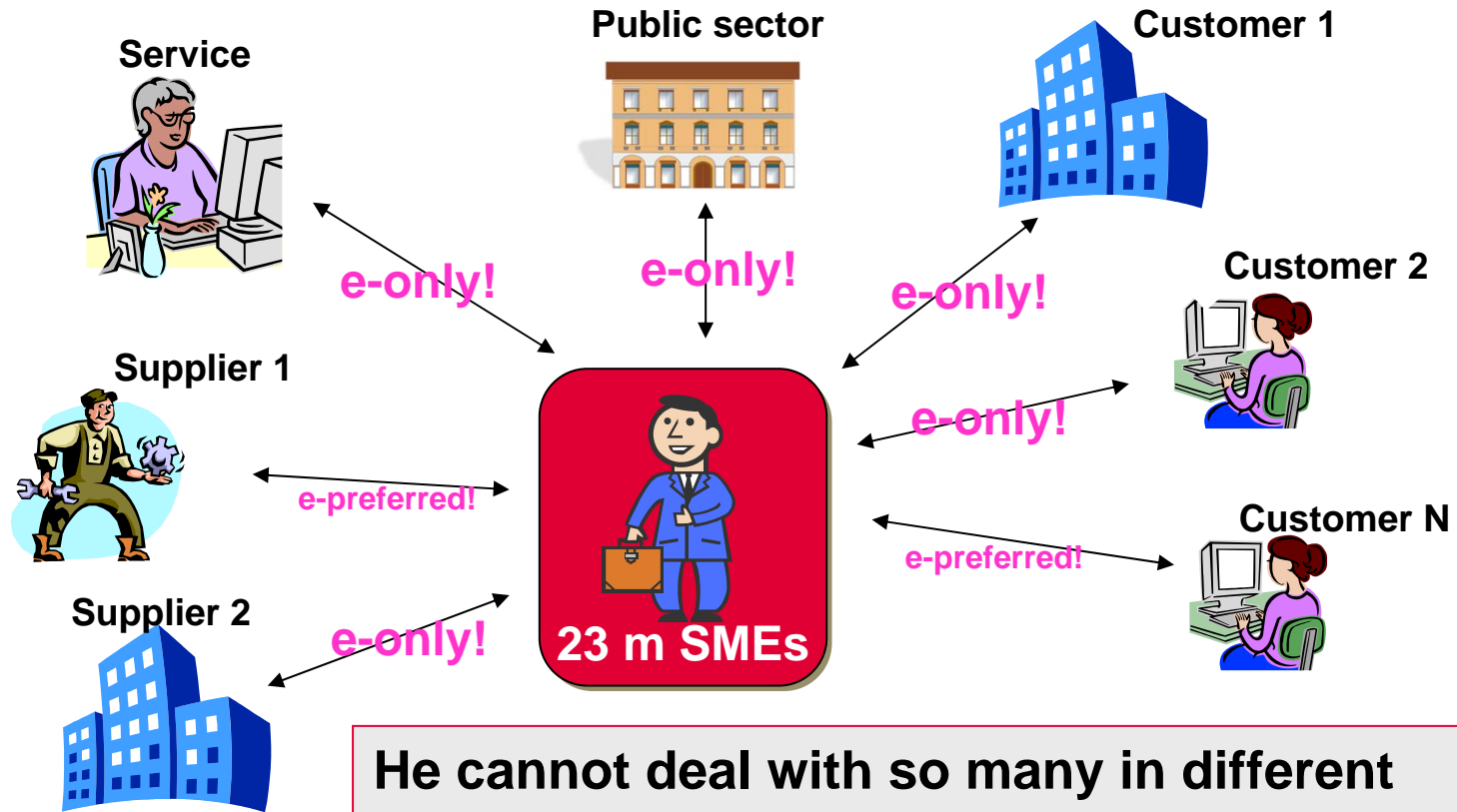
## Is there a better case for the Lisbon agenda?

- **Finnish State Treasury:** cost estimate for incoming manual invoice € 30€, e-invoice 10€, fully automated 1€....
- Take the 20€ saving for incoming X 14 billion b2b = 280bn€-per year....
- + outgoing + b2c + e-orders + e-confirmations + better cash flow for invoice senders + lower credit risk + faster and cheaper financing..
- **Finnair:** 40€/incoming manual invoice
- **Electrolux:** 50€/incoming manual invoice
- **European Association for Corporate Treasurers:** b2b 243bn€ per year

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# 23m EU-SMEs in the networked economy



He cannot deal with so many in different ways – has to be same with all – just like payments!

SMEs to join the networked economy - e-supply chains

We should:

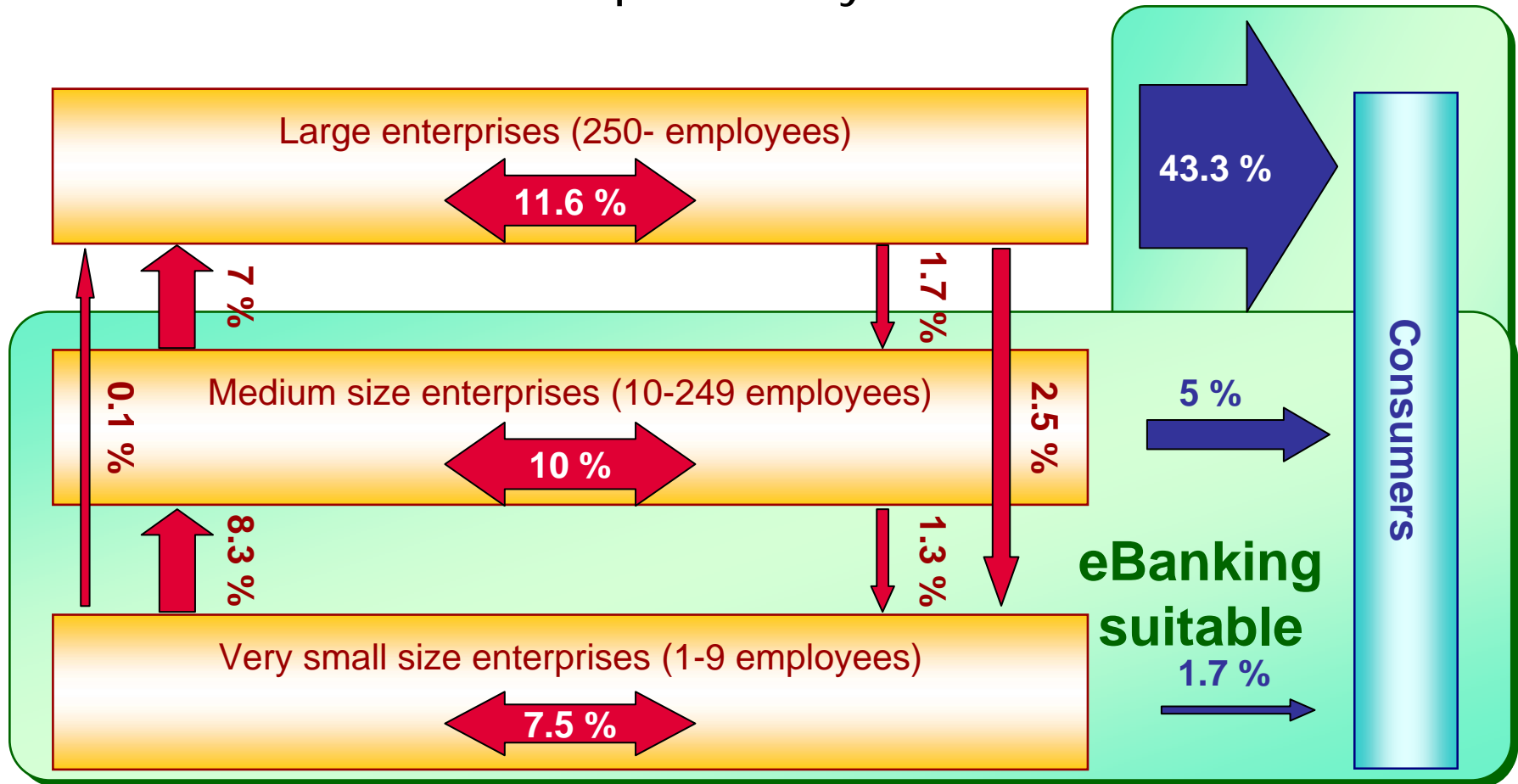
- Give the SMEs a fair chance to join - they are 63% of the business
- We should give SMEs a **0-investment** and **0-ITskill toolset** - with enough data-elements to satisfy demanding large enterprises

# SMEs to join the networked economy - e-supply chains

We should:

- Provide one tool for sending CII e-invoices to all - and for receiving - from all (automating ISO20022 credit payment - also to further SEPA)
- Use the same tool for sending (and receiving) e-orders
- Use the same tool for automating invoice financing

# Banks need to take responsibility - 30 billion invoices



**B2C 53 %**  
**B2B 47 %**

## Conclusions

- Less than 15 % of invoices are between large enterprises
- Almost half of the invoices are from large enterprises to consumers

Source: Billentis / Bruno Koch (www.billentis.com), Nov 15<sup>th</sup> 2006

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*Crystal clear* mindset:  
Paper invoices have  
NO future in EU



# Equal Treatment

- E-invoices should not from a regulatory angle be treated differently from paper invoices (VAT etc)
- As e-invoices are less prone to VAT-fraud more demands should be put on paper invoicing!
- Otherwise the threshold from bad to much better is raised!

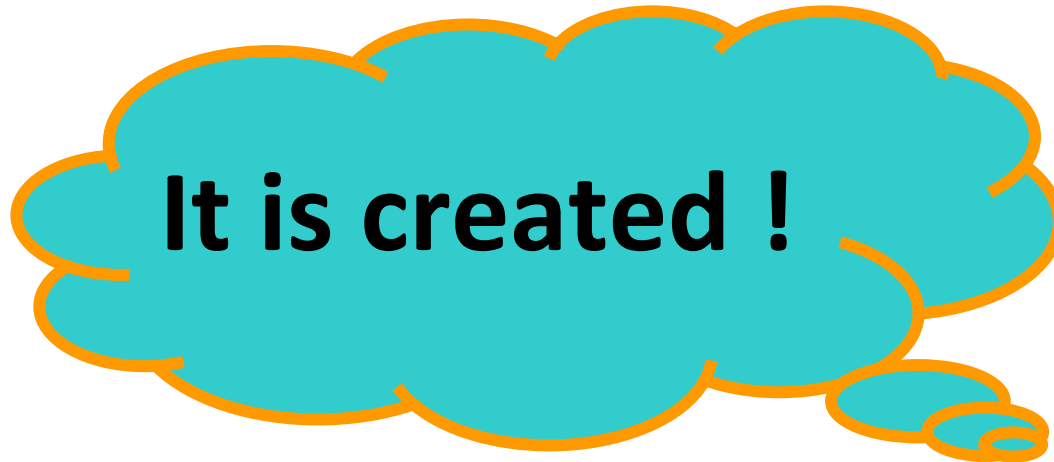
# One network concept - vision

Sign up with one service provider  
(traditional or bank) and reach all/be  
reached by all - just like payments..

# Standards - vision

- All invoices sent from 23m EU SMEs will be in the same CII format
- Still there is a need for AFI-AFO by service providers - no need to wait - national markets should move forward now

**The future is not planned  
nor prognosed.**



**It is created !**

***Thank You***

**<http://boharald.blogspot.com>**

# 15 billion invoices to consumers/year

- Cost of outgoing invoice 6-9€ each (according to Bruno Koch)
- Consumer invoicing probably cheaper as volumes are high - assume 3€
- **cost for paper invoicing: est 45bn - consumers pay every cent of it..**
- Transparent pricing may lead to 70% reduction (internet penetration) in some years = 41,5bn€
- CO2 reduction 1.050.000 tons/year
- *Will consumer organizations drive e-invoicing*
- *Or continue protecting unnecessary costs instead of consumers*