



LaserNet XML Management E-Invoicing White Paper

AutoFORM Lasernet Now Offers E-Invoicing Facilities for both Accounts Payables and Accounts Receivables to EU Directive 2001/115/EC

Introduction to E-Invoicing

Immediate savings can be achieved by switching from paper to e-invoices. Gartner suggest that for the customer costs can be reduced from around £10.00 to less than a pound, as a number of invoice data input and checking procedures can be automated. For the sender, the cost benefits are around £2-4 by eliminating postage, paper handling, filing and printing costs, whilst offering the opportunity to automate some of the invoice data collation procedures. Using AutoFORM LaserNet you can now take advantage of these cost benefits, both for Accounts Receivables (sales invoicing) and for Accounts Payables

What is an e-invoice?

- ▶ **An e-invoice is a legally recognisable invoice data file** that can be passed directly to the customer's computer system, without being manually keyed in.
- ▶ **EU directive 2001/115/EC** and national law in each European state, allows and encourages invoices to be sent electronically.
- ▶ **E-invoices are created in various formats:** XML, CSV and EDI.
- ▶ **E-invoices are not PDF invoices** although PDF versions, with a traditional paper layout, can accompany e-invoices so that they can be easily read by the human eye for auditing purposes.
- ▶ **E-invoices are transmitted over the Internet or through VAN (Value Added Network) service providers** using a customer's existing email server.

The e-invoicing solution is delivered as an upgrade to the AutoFORM LaserNet Document Management Suite. This offers comprehensive facilities for companies to move from paper based transaction documents to faster, more efficient electronic document creation, distribution and archiving

Benefits Quantified

Converting to E-invoicing using AutoFORM LaserNet enables a number of previously manual processes, such as data collation, input and filing, to be either eliminated or automated. The result is a five fold reduction in the sender's costs, and a ten fold reduction in the receiver's costs

Sender's Cost Benefits

Paper based invoices		Electronic Invoices	
Preparation, printing & filing	3-9 minutes	Preparation only	<1 minute
Delivery	1-2 days	Delivery	Immediate
Sender's Cost	£5.00	Sender's Cost	<£1.00

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Receiver's Cost Benefits

Paper based invoices		Electronic Invoices	
Input and verification	3-9 minutes	Input and verification	Instant - Computerised
Authorisation - Hand written signature	30 days plus	Authorisation - Online	Immediate for pre-authorised 5-10 days for workflow authorisation
Receiver's cost	£10.00	Receiver's cost	<£1.00

Cost Benefits Claims Supported by Analysis

- ▶ **The Hackett Group:** Companies are spending 6.6 times more to process paper invoices than electronic invoices.
- ▶ **The Hackett Group:** Rules based automated invoicing leads to an average of 44% fewer invoice errors, leading to increased customer satisfaction and prompter payments.
- ▶ **The Aberdeen Group:** E-invoice processing cycle times reduced by up to 65% allowing you to take advantage of early payment discounts (typically 2% of invoice) and avoid late payment penalty charges.

EU Invoicing Directive

Since January 2004, EU legislation has allowed, and indeed encourages, the use of electronic VAT invoices. Directive 2001/115/EC - the EU invoicing Directive brings all EU member states in line so that they all produce similar VAT invoices and provide consistency for cross-border trading in member states.

The Directive attempts to create a European standard for e-invoices, laying down a number of key criteria:

- A standard set of data required on invoices.
- A legal basis for allowing invoices to be issued electronically
- Regulations surrounding the storage of invoices

For further information on each of these points please see:

http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=en&numdoc=32001L0115&model=guic hett

Beware, Harmony does not mean Uniformity

Every EU member has incorporated the Directive into National Legislation; however, the implementation of legislation is different and varies slightly from country to country. For example:

- ▶ **Digital signatures:** not required in the UK although they are recommended, whereas Germany specifically requires a digital signature.
- ▶ **Electronic archive** records need to be stored for 5 years in Denmark, 7 years in the UK and in Germany, 10 years.
- ▶ **Organisations using EDI** to send e-invoices in Germany must also send a summary document using another specified mechanism, but not EDI.

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- ▶ **In some EU countries** such as France, paper invoices must be stored in the country where they were generated and not in any other EU country.

Some countries impose personal and corporate financial penalties for non compliant VAT e-invoices. However, these are also imposed for non-compliant paper VAT invoices and therefore most businesses will already be aware of how to avoid the pitfalls.

How AutoFORM LaserNet Helps

Although the differing requirements may make e-invoicing look complex, AutoFORM LaserNet makes it simple. Instead of expecting operators to create invoices to meet specific country conditions, AutoFORM does this task for them. The invoice is generated via the ERP using the standard procedure, AutoFORM LaserNet then analyses the ERP output for the country code and applies the minimum mandatory data requirements for that particular country. Furthermore, the data is automatically presented in the appropriate XML format selected by the customer. AutoFORM LaserNet therefore avoids a number of the difficulties in creating a variety of different invoices manually, allowing organisations to create e-invoices quickly, easily and, more importantly, accurately.

The Danish Example

Mandatory e-invoicing has reduced the Danish Government's invoice processing costs by 120 – 150 million Euros per year. An EU Government task force is promoting the Danish example as a model that should be replicated across the rest of Europe. The UK Government, whilst fighting shy of making it law, is said to be actively promoting the use of e-invoices. For instance, the NHS is now exerting considerable pressure on suppliers to submit invoices electronically.

The Danish e-invoicing initiative became law on 1 February 2005, with just 10 months notice. All invoices sent to government agencies from the national government offices, right down to schools, must be sent electronically. The reported cost savings of €120-150 million per year result from the elimination of manual data entry, postal charges and general document handling.

The speed of the switch over from paper to e-invoicing meant that businesses across Denmark needed an XML solution—fast. Many companies in Denmark selected AutoFORM LaserNet as it offered an easy to implement, cost effective and, more importantly, an immediate XML e-invoicing solution. One that didn't disrupt the normal business flow, require re-programming of the ERP system and avoided the heavy service charges from "read-in bureaus."

In Denmark, e-invoices are based on a standard variant of XML known as OIOXML and are typically delivered using 'VAN' services (value added networks). As the VAN service authenticates the sender and receiver, digital signatures are not required.

What Our Customer Say...

In Denmark

- ▶ **COWI - Civil Engineering Consultancy to the Danish Government.**

"SAP R/3 and AutoFORM LaserNet: a perfect combination for sending invoices in XML."

"In AutoFORM LaserNet we have a solution that is quick and easy to work with, allows us to create highly complex multi-page invoices, and our clients are delighted to receive XML invoices tailored to their precise needs."

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- ▶ **Kwintet A/S—Europe’s largest Workwear Clothing Group: Fire & Health Service Uniforms €68,000 cost reduction by switching to electronic document delivery.**

“I have never seen any solution in the marketplace which is better than AutoFORM LaserNet, nor as user friendly.”

United Kingdom

- ▶ **Firth Rixson. Deliver CSV e-invoices to selected major customers.**

“Using AutoFORM LaserNet to create e-invoices has been a very straightforward procedure.”

The Technology

Customer: “Can you provide us with XML invoices with a PDF image?”

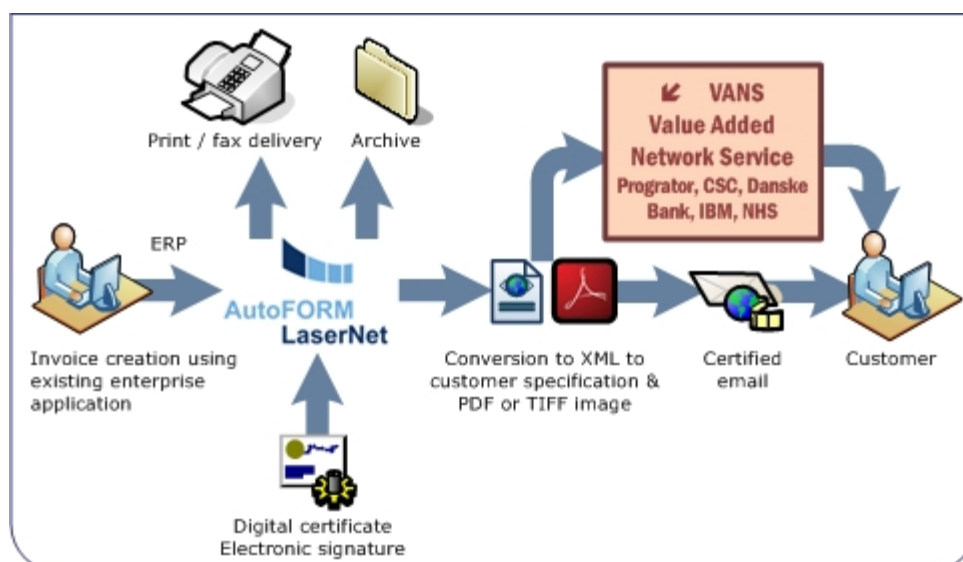
AutoFORM User: “Of course! What’s more we can do it today”

AutoFORM LaserNet provides a complete suite of solutions to manage both the creation and the import of XML based e-invoices, alongside traditional print files and other forms of electronic delivery such as fax and email.

The invoice is created in the normal way using your existing ERP application. The standard print output is then converted to an XML data file, along with a PDF or TIFF document image. These are then sent to the customer via a Value Added Network service, or as a digitally signed email attachment.

The advantage with AutoFORM is that it is so easy and affordable to implement. The Windows based XML mapping tools are easy to use, requiring just a basic understanding of XML structures. This means that you can be enjoying the financial, competitive and customer service benefits of e-invoicing within just a few days, without disrupting your normal business operations.

How AutoFORM LaserNet creates and delivers e-invoices



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AutoFORM Lasernet Automation

- Invoice is created in normal way. Some invoice data collation and matching to Proof of Delivery can be automated.
- ERP data is captured and converted to appropriate XML or CSV FORMAT
- AutoFORM LaserNet converts invoice into a PDF or TIFF image.
- Invoice is indexed and sent to archive.
- Invoice sent to CUSTOMER via a Value Added Network (VAN) Service

The entire process is automated using AutoFORM LaserNet and works alongside the normal document printing, email and faxing system. The invoicing administrator does not need to do anything different, nor is a special e-invoice 'print' run required.

Why Use AutoFORM Lasetnet?

- ▶ Automates compliance with EU directive 2001/115/EC and all additional national legislation.
- ▶ Support for multiple e-document formats, including XML (any schema), PDF, text (flat file) & CSV. With additional software, EDI messaging can also be arranged.
- ▶ Simplifies & automates the ERP output to XML reducing programming time.
- ▶ No ERP or Finance System IT changes or upgrades required.
- ▶ Enables bi-directional translation of all XML standards including - oioXML, ebXML, cXML, FpXML and OB10 (NHS, Government).
- ▶ No programming skills needed: No looping, bit fiddling or logic control required.
- ▶ Tried & trusted technology: AutoFORM LaserNet XML tools arise from a long history of providing output management solutions for the world's leading companies. The XML tools are extensively used in Denmark, where e-invoicing is mandated by law.
- ▶ Existing email and internet server can be used to deliver and receive e-invoices.
- ▶ E-invoices can be sent with supplementary PDF image for human readability.
- ▶ Integrated archiving and retrieval from ERP or web-browser
- ▶ Digital signature authenticity where required (e-invoices sent via VAN services do not require digital signatures).
- ▶ Easy to implement, easy to use, VAT compliant and interfaces with any IT application, including SAP, Microsoft Business Solutions, Infor (SSA, Geac) and ORACLE based solutions.

How to Get Started!

- Create the business case*
- Determine a date for the introduction of e-invoices: write to customers and suppliers.
- Implement or update AutoFORM LaserNet.
- Contact pilot customers/suppliers and decide on.
 - Formats (PDF, XML, CSV, EDI)
 - Document types (Purchase Orders, Invoices)
 - Delivery type (E-mail, HTTP, FTP, VAN)
- Extend the cost benefits to your own suppliers and other customers.

* Your EFS Technology Approved Sales Distributor can help you with this

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What You Need

E-Invoice Creation

- ▶ AutoFORM LaserNet version 6.2.3 (Potentially, this could be a simple upgrade to your existing AutoFORM LaserNet version).
- ▶ Additional Modules

Module	Needed for...
XML Output Module	Distribution of XML
Communication Module	Document delivery
Conversion Module (PDF)	PDF formatting
File Module	File export
J-Finder	Digital signatures
AutoFORM Archive	Electronic archiving of outgoing e-invoices and other transaction documents

E-Invoice Receipt

Module	Needed for...
AutoFORM PDM	For archiving and invoice authorization
PDF INPUT	PDF input management (data stripping & conversion)
XML Input Module	Receiving XML, conversion and posting to ERP



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