Electronic invoicing

e-Slog implementation in practice, expected impacts and future development

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SETCCE

SETCCE

- **Basic info**
  - Established in 2001
  - Based in Ljubljana

- **Offering focus**
  - E-commerce and de-materialization of business and governmental processes
  - Information and content security

- **Main lines of business**
  - Specialized products / outsourced services for legally-valid e-business
  - Consulting services
  - Standardization initiatives on domestic and global scale (GZS, IETF)

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- **Business focus areas**
  - Services and solutions
    - Electronic signing
    - Electronic invoicing
    - Electronic archiving
  - Consulting
    - Business processes dematerialization
    - Information security
    - Technical and legal framework
  - Research & standardization
    - Information security,
    - Electronic business,
    - Future internet

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Business sectors and partners

Sectors

- Telecommunications
- Mobile operators
- Financial sector
- Public administration
- Infrastructure services…

Partners

- System integrators
- DMS vendors
- E-banking vendors
- IT services providers

IT STARS, November 2010, Zagreb

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E-invoicing

- **From theory to practice**
  - Fundamentals:
    - Legal framework
      - Electronic business and Electronic Signature (ZEPEP)
      - Value Added Tax
      - Electronic records preservation and archiving (ZVDAGA)
    - Technical infrastructure
      - Business messages standards
      - Electronic signing
      - Message exchange
      - Archiving

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E-invoicing in Slovenia – early steps

- **Basic framework**
  - GZS eSlog business messages
    - Two structures, 3 basic types
    - Electronic signature inclusion
    - Support for visualization
  - Business messages exchange
    - E-mail
    - Web portals
  - Formal rules on conducting e-business
    - Tax authority registration
      - Formats and infrastructure used
      - Electronic archiving

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E-invoicing in Slovenia – early steps

- **Identification of potential sectors**
  - Mid range to large user base
  - Information technology literate users
  - Set up infrastructure

- **Important factors**
  - Suitable distribution options
  - Financial instruments integration
  - Business processes alignment
  - E-invoicing recipients marketing (50% of the cost)

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Kick off

- Deployment
  - Internet service provider: SiOL d.o.o.
  - Start: August 2003
  - Production: October 2003
  - Target: Complete user base
  - Selected technology: GZS eSlog e-invoice + HTML visualization
  - Financial instruments integration: Credit card payment
  - Legal framework alignment: Tax authority registration
  - Implementation method: Push
  - Marketing: User service pages and e-mail announcements
  - Benefits: In-house e-invoice

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Results, benefits and development

- **Achievements**
  - All users recieve e-invocie via e-mail
  - E-invoices published on service pages
  - Recipient options
    - Paper invoice
    - Electronic invoice
    - Paper + electronic

- **Acceptance**
  - Medium user acceptance
  - Full internal acceptance – post sales support

- **Development**
  - Migration to parent company: Telekom Slovenije – November 2007
  - Migration to the group (Mobitel) – September 2009

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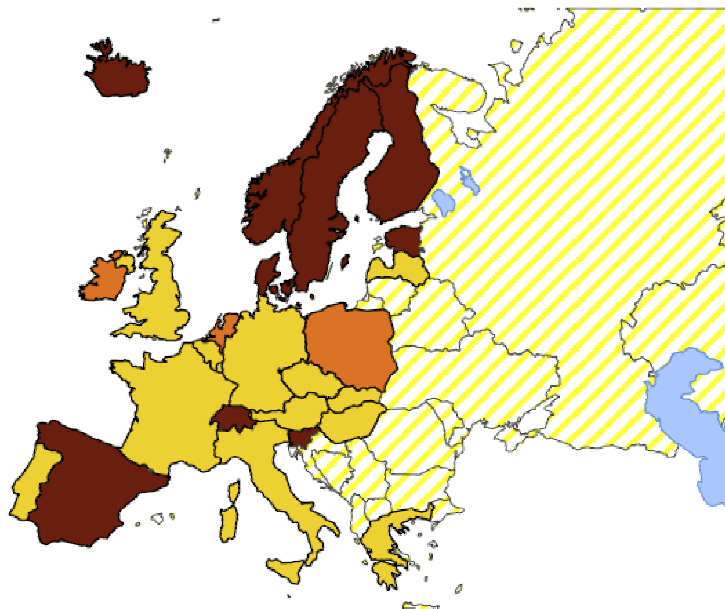
Milestones

- **Second large scale implementation**
  - Mobile operater: Si.mobil
  - Start: 2005
  - Production: 2006
  - Target: Complete user base
  - Selected technology: GZS eSlog e-invoice + HTML visualization
  - Alternative distribution options: SMS invoice information
  - Legal framework alignment: Tax authority registration
  - Implementation method: Pull
  - Marketing: Financial stimulation for receivers of e-invoices only
  - Benefits: In-house e-invoice + mobile service users targeted penetration of 15%

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Milestones and results

- **Implementations that followed:**
  - Telecommunications (2007)
  - Electrical power distributors (2008)
  - Financial institutions (2008)
  - Small and mid size enterprises (2010)
- **Results**
  - 25 million transactions per year
  - Introduction of new distribution channels
    - Dedicated messaging systems (existing and new)
    - E-banking e-invoices distribution (as of 2010)
  - Flexible implementation: no tax authority registration
  - Electronic archiving: new legal framework for electronic archiving
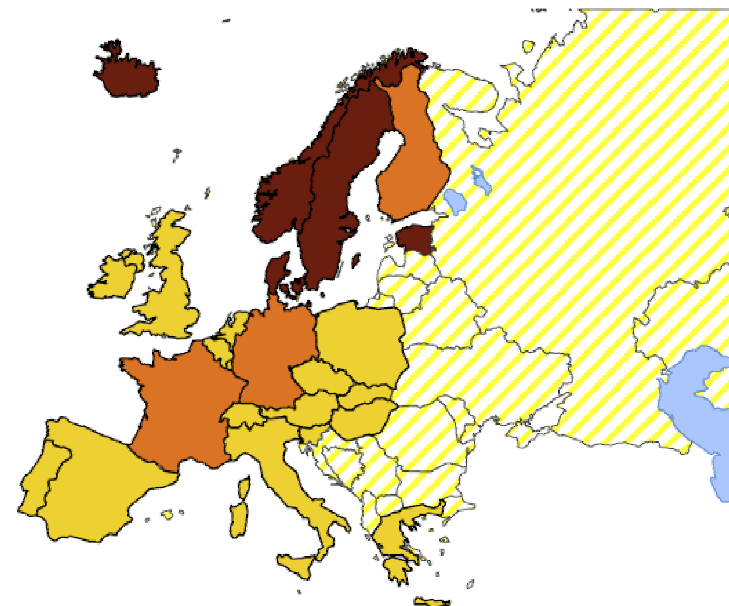 - Implementation: solutions and (integrated) services

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Where are we

B2B/B2G

B2C

■ 12-50%	■ 6-11.9%	■ 1-5.9%	▨ <1%

*Source: EXPP, Munich, 2010

IT STARS, November 2010, Zagreb

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Lessons learned

- **What did we learn?**
  - Basic framework and infrastructure is a must!
  - Do standards, methodologies and guidelines matter?

    Yes (for implementators) and no (for users)!
  - Is government inclusion the key driving factor?

    No!
  - Who drives e-invoicing?

    Businesses!
  - Who stimulates implementation?

    Providers!
  - Does it pay off?

    Depends on the strategy and marketing.
  - Biggest mistake?

    Unbalanced business processes dematerialization

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And what needs to be done...

- **Still some work ahead**
  - Critical
    - Technical background update
    - Support for complete order-delivery-invoicing process
    - Public administration e-invoicing adoption
    - National strategy plan development and implementation for faster penetration of dematerialized processes based on e-invoicing
    - Business messaging systems direct connection
  - Nice to have
    - Integration with complementary services (granting, financial instruments…)
    - Real time invoice approvals (based on order/delivery steps)
    - Alternative distribution channels (mobile invoice, ATM invoice, set-top-box invoice…)
    - Financial supply integration (grants, loans…)
    - …

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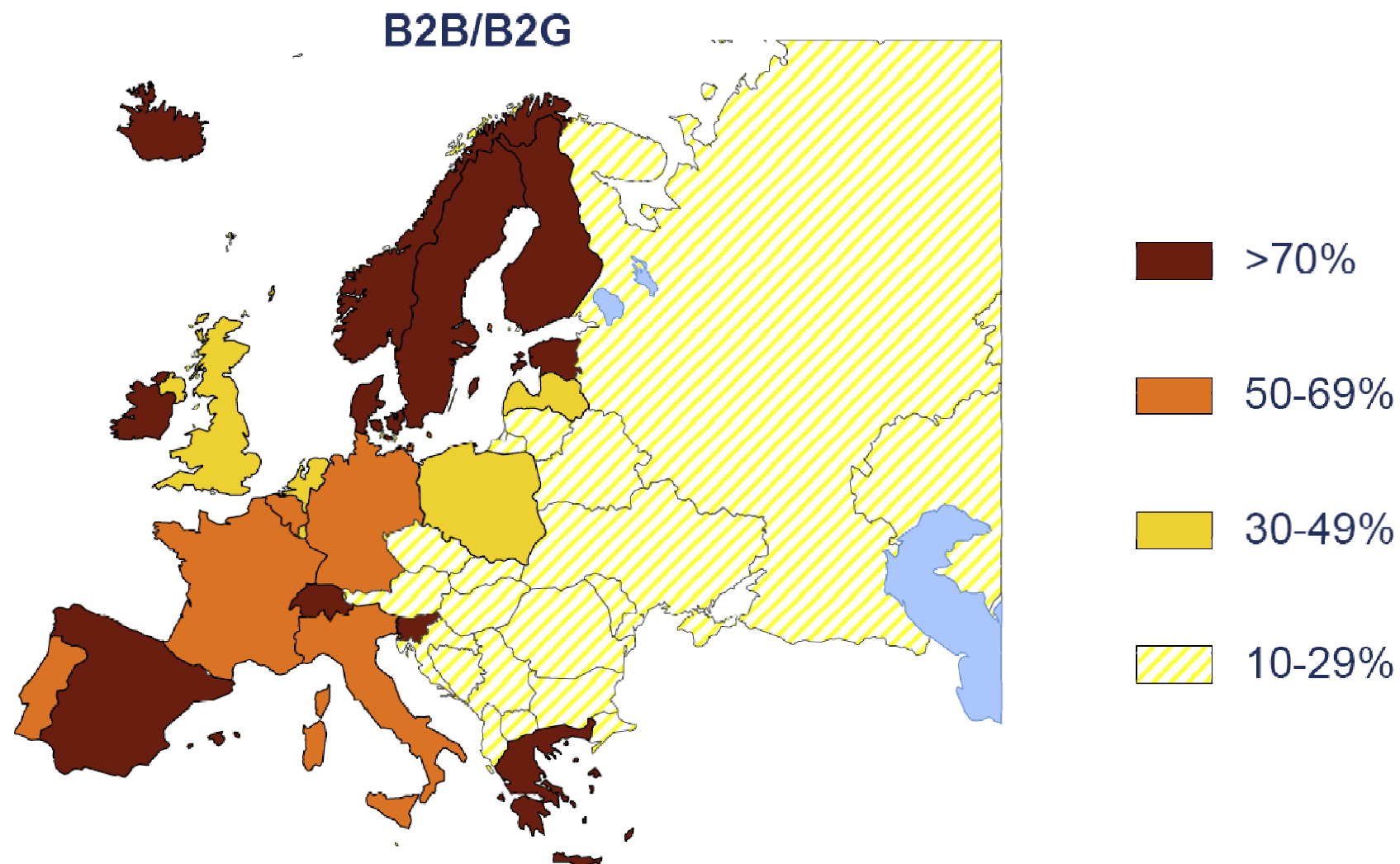
Opportunities

- **Quantity:**
  - 120 M invoices on yearly basis
  - At least twice as more complementary documents (specifications, orders, delivery…)

- **What can we achieve?**
  - Average cost savings:
    - Incoming invoices
      - From 17,60 € (paper based) to 6,70 € (electronic)*
    - Outgoing invoices
      - From 11,10 € (paper based) to 4,70 € (electronic)*
  - Potential (financial impacts)
    - Incoming invoices
      - 1.308 M € on yearly basis
    - Outgoing invoices
      - 768 M € on yearly basis

*Source: EXPP, Munich, 2010

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Predictions

B2B/B2G

Legend:
- >70%
- 50-69%
- 30-49%
- 10-29%

*Source: Forecast for 2015, EXPP, Munich, 2010

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Questions?

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