



The UK e-Invoicing Advocacy Group was set up in 2010 as a self-funded initiative of industry associations, public sector bodies and solution providers to promote e-Invoicing in the UK public and private sectors. Our mission is to help UK public bodies and commercial enterprises of all sizes save money and understand the benefits of replacing paper invoices with wholly electronic transactions.

It is our intention to champion and advocate widespread adoption of electronic invoicing between buyers and sellers of goods and services. The UKeAG promotes the benefits of e-Invoicing to the UK Public Sector and the wider UK economy, meeting regularly at the Houses of Parliament and the Department for Business. As the official UK forum on e-Invoicing, sponsored by the Department for Business, we delegate the UK participants that provide expert input to the current EU Commission Multi-Stakeholder Forum. Our UK delegates lead the working group on best practice within EU Commission Forum and our participation ensures that emerging EU policy and regulation supports UK public and private interests.

We are committed to help commercial enterprises and public bodies of all shapes and sizes to understand the business case and benefits for electronic invoice adoption, in particular reducing the administrative burden on small and medium-sized enterprises and to promote a lively and innovative UK market for the provision of relevant solutions and services. The benefits of electronic invoicing are clear;

- *Substantial cost savings through reduction in manual work, material and transport costs.*
- *Additional cost savings from fraud and loss prevention, and lower auditing costs for trading parties and tax authorities.*
- *Enabling of accelerated payments, improved cash flow and reduced credit losses for both large and small enterprises. E-Invoicing could unlock the potential for new collateralised lending services at a time of subdued growth in traditional credit products, especially for SMEs.*
- *Raising productivity and customer satisfaction in both the public and the private sector, and improving UK competitiveness overall.*
- *Enabling workforce transition to more productive activities and a learning vehicle to increased use of electronic practices throughout the public and private sectors.*
- *A direct contribution to carbon savings and resultant environmental gains*

Through this series of case studies the UK e-Invoicing Advocacy Group aim to show that electronic invoice automation is not a new concept, and that best-in-class organisations are gaining competitive advantage.



## Siren Furniture Organises its Supply Chain with e-Invoicing

A small, dynamic furniture wholesaler Siren Furniture is a specialised furniture wholesaler. Employing just 8 people, the company is small but highly successful and has been in business for about 10 years. Based in Nottingham, England, the company supplies a number of furniture retailers, with its largest customer being John Lewis, probably the UK market leader in terms of retail sales of quality furniture.

A key to Siren's success has been the quality of its designs. John Lewis, for example, has sold thousands of sofas based on a design that is actually five years old but still immensely popular.

Customers walk into a John Lewis store, choose and pay for a product, and expect delivery within a defined time period (John Lewis' web site, for example, promises that most furniture can be delivered within 7 days). The clock is then ticking.

From an operational perspective, this is where Siren Furniture's challenge begins since everything depends on the tight management of a smooth, friction-free supply chain.

The company designs its upholstered sofas, chairs and stools in the UK and then outsources their manufacture to third-party factories in countries such as Poland and Romania.

Liaising with these factories and organising deliveries are two very important tasks, especially since Siren Furniture itself does not maintain any stocks.

The supply chain needs continual attention, not least because the price of fabrics and leather can fluctuate wildly. Meanwhile, the recent recession has meant that none of the mills and factories along the supply chain has been keen on high stock levels. There are also unforeseen developments.

### Summary...

Siren Furniture is a small enterprise that has realised the benefits of electronic invoicing across its supply chain.

By removing manual tasks and wasteful paper their order and invoice processing costs have been reduced.

The e-Invoicing project allows Siren Furniture to manage its supply chain efficiently so that it can ensure its quality of service.

By adopting e-Invoicing Siren Furniture has competitive advantage in its market.

Siren Furniture now consistently settles invoices in under seven days with John Lewis.



In a recent incident, for example, production was threatened when 30 leather tanneries in one European country were temporarily shut down pending an investigation into possible tax fraud. Against this challenging background, Siren had to find a way to manage its supply chain more efficiently.

In particular, at the start of the process, Incoming orders from John Lewis needed to be managed and monitored as quickly as possible. A manual system was deemed no longer good enough. When the company depended on manually inputting orders, this was typically taking up to an hour each day—which was becoming untenable in a small, busy company.

The reality is that there can be as many as 20 to 30 orders arriving each day, and each order can vary enormously in terms of both product mix and quantity. An order might be just a footstool for one customer or it might be for 200 sofas to go into stock. So developing an efficient and automated way to process these orders was a priority.

“Receiving the orders used to be a real pressure point in the business, since it triggers a complex series of next steps. We’ve now managed to make that order process much slicker, and the benefits of that ripple right through the business and down to our suppliers.”

**Carl Markham, Logistics Coordinator Siren Furniture**

To solve its challenges, Siren Furniture has adopted GXS Desktop EDI which connects Siren to the GXS Trading Grid™. This addresses the requirement to be able to receive orders electronically from major customers, process them quickly and send invoices in an efficient and timely manner.

GXS Desktop EDI is a PC-based software solution that translates invoices and purchase orders to and from John Lewis’ EDI format via easy-to-use desktop forms. Via GXS Trading Grid, the software makes it easy to acknowledge the original purchase order and turn it into an invoice in due course.

In this way, GXS is helping Siren to become an Active Business that remains agile in relation to its principal customer, able to operate a customer-facing supply chain with a continuous flow of sales, shipment and payment information between Siren and their customers.

“We no longer have to spend that hour each day printing.”

**Carl Markham, Logistics Coordinator Siren Furniture**

The route to competitive advantage—and improved cash flow The most powerful evidence of the success of Siren Furniture’s supply chain is that it gives the company a measurable competitive advantage. Christmas orders represent one of the seasonal peaks for the upholstered furniture business.



Siren's efficient supply chain means that the company can continue accepting orders until early November and still guarantee delivery to John Lewis stores in time for Christmas. In contrast, some competitors with less automated supply chains have to stop taking their pre-Christmas orders several weeks earlier.

A second major area of benefit has been to cash flow, always an important consideration for a small company. John Lewis is committed to settling approved invoices within 7 days of receiving them. From Siren's point of view, it makes a significant difference to speed of payment to be able to transmit invoices to John Lewis electronically, as opposed to the old method of posting them.

This has a knock-on benefit since the company is able to share the benefits of this improved cash flow with its manufacturing partners. This helps Siren maintain the loyalty and commitment of its own suppliers.

**The UK e-Invoicing advocacy group** meets on a regular basis and operates in an entirely non-competitive, cooperative space. Our meetings are inclusive of both public and private sector stakeholder interests. **We operate in an open, transparent and informal** manner.

Whilst addressing an area requiring strategic transformation, **the group adopts scoped and realistic objectives**. Initiatives undertaken are agreed among the group to be concrete, feasible and effective and their execution always closely monitored.