

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.

## Dixons Retail Group extends its e-Invoicing strategy to include all of its UK suppliers

Dixons Retail plc is one of Europe's leading specialist electrical retailing group. The company currently trades through 1,200 stores and online stores, spanning 28 countries and employing 40,000 people. More than 100 million customers shop in-store and online with Dixons Retail Group every year.

Dixons Retail Group is operating in a highly competitive market. As one of the first key players in a multi-channel sales environment, the company is well aware that consistency can be a challenge when dealing with customers who expect the same service and buying experience whether they are shopping online or in a store. The task of running traditional retail outlets alongside online stores brings additional retail outlets alongside online stores brings additional challenges, which means that efficient systems and procedures are business-critical if Dixons Retail Group is to maintain its place as a market leader.

With this focus on efficiency, Dixons Retail Group is no stranger to electronic invoicing. In fact, by the time the company contacted OB10, it was already processing 90 percent of its invoices through a mix of high-end Electronic Data Interchange (EDI) software and Contempus Invoice, a customised invoice processing application that allows Dixons Retail Group to match its merchandise with purchase orders, and to cross-reference highly detailed product information with price and other relevant internal data. This solution worked well for Dixons Retail Group, but unfortunately not for all of its channel partners. Although most of the company's large suppliers were using a EDI solution that integrated well with Dixons Retail Group's invoicing system, there were literally thousands of companies who did not have an EDI solution in place, and that meant that these companies were continuing to supply Dixons Retail Group with paper invoices. Of course, problems were inevitable – and commonplace.

*“The argument for making the transition to OB10, the global e-Invoicing network, is very clear cut. Paper-based processes are inherently inefficient and expensive for us and our suppliers.”*

**Anthony Welfare, Dixons Retail plc**

“Invoices were being lost in the post, or sent to the wrong department, or else they were submitted with incorrect information and had to be returned, which led to additional delays,” says Anthony Welfare, Head of Dixons Retail Group's UK Finance Transaction Centre. “Our internal solutions were “work-around” at best, which meant that invoices were first counted manually, then batched and scanned before they could be sent to our Contempus. Invoice software for processing via Optical Character Recognition (OCR). And



even after all that, around 35 percent of the data still needed to be keyed in manually before the invoice could be processed. It was simply not an efficient systems at all.”

Although 2000 of Dixons Retail Group’s largest suppliers were using EDI, another 6000 suppliers were not, leaving a large gap in Dixons Retail Group’s e-Invoicing strategy and its focus on efficiency. To address this problem, Dixons Retail Group was referred to OB10 by Hewlett Packard, another OB10 customer, as a way to simplify and streamline the invoice-to-pay process for companies who were not using EDI.

### The Solution

OB10 was seen as an easy, future-proof way to consolidate Dixons Retail Group’s initiatives across a wide array of companies, initially in the UK, but eventually across Europe as well.

“We already understood the benefits of e-Invoicing, so for us OB10 was simply the icing on the cake,” Welfare says. “We already had sophisticated e-Invoicing solutions in place, but during our expansion over the past four or five years, we have brought a number of new companies into the Group that already had many suppliers of their own. OB10 provided us with a solution that could be easily standardised across companies of many different sizes, and based in many different regions.” In addition to its sophisticated software, OB10 offered Dixons Retail Group another very large benefit: its ability to speak directly with suppliers.

“We already had sophisticated e-Invoicing solutions in place, but during our expansion over the past four or five years, we have brought a number of new companies into the Group that already had many Suppliers of their own. OB10 provided us with a solution that could be easily standardised across companies of many different sizes, and based in many different regions.”

**Anthony Welfare, Dixons Retail plc**

Importantly, OB10 works with any billing or accounting system, which means that Dixons Retail Group did not have to make changes to its accounts payable system, and the barrier for entry for its suppliers is low. Better still, neither buying organisations nor their suppliers are required to implement hardware or software. OB10 is also compliant with the requirements of VAT and e-Invoicing legislation and currently operates in 100 countries.

### The Benefits

By providing a way to reach out to a greater number of its suppliers, OB10 has enabled Dixons Retail Group to take the extra step required to truly reap the full benefits of electronic invoicing. In fact, by bringing thousands of additional suppliers into Dixons Retail Group’s e-Invoicing scheme, OB10 has already replaced



more than 100,000 paper documents. At the same time, suppliers can be sure that their invoices are delivered accurately and are more likely to be paid on time, which means that Dixons Retail Group purchasing team can negotiate very strong deals that benefit both sides.

“With OB10, our entire invoicing process has certainly become much more efficient. We are now able to offer some suppliers seven day terms, and that would have been impossible before.”

**Anthony Welfare, Dixons Retail plc**

“With OB10, our entire invoicing process has certainly become much more efficient,” Welfare says. “We are now able to offer some suppliers seven day terms, and that would have been impossible before.”

Plus, OB10 has drastically reduced the number of queries that come into the department, which will have a large impact on our productivity and ultimately our bottom line.”

### The Future

Whilst working with OB10 to include more and more of its suppliers on the OB10 network, Dixons Retail Group is planning to consolidate its systems even further by bringing the rest of its European Operations in line with the UK.

“Within five years I expect that more of our European operations will use electronic invoicing. This knowledge made OB10 even more attractive to us, since we are confident that OB10 will make that transition very easy for us,” concludes Welfare. “We were already big proponents of electronic invoicing before working with OB10, but we needed an easy way of bringing e-Invoicing to our suppliers who had not yet made the leap. With its expertise in supplier recruitment and a global e-Invoicing network that is easy to use, OB10 helped us achieve that goal.”

**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.