



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.



Organic Farm Foods Makes Healthy Savings Trading Electronically

The UK's Largest Distributor of Organic Fresh Fruit and Vegetables Organic Farm Foods were founded in 1986 by a group of organic growers in Wales who were aiming to develop an efficient infrastructure for British organic vegetable producers. Today, Organic Farm Foods has 320 employees and is the UK's largest importer and distributor of organic fresh fruit, salad and vegetables, selling 9,000 tons of produce each year.

With its head office in Ceredigion, Wales, Organic Farm Foods was the first company in Europe to target major supermarket chains as a potential market for organic produce. The company's distribution network already covers the whole of the UK and France. In addition, it is a pioneer in technology initiatives within the fresh produce industry.

The company's commitment has always been to quality at every stage of production; care for its products and the environment in which they are grown and innovation in the development of grower partnerships, information technology, packaging concepts and production techniques.

Working with six major supermarket chains means Organic Farm Foods receives over 250 orders and issues 100 invoices per week from these customers alone. Tesco, for example, issues one order each week which translates into 20 purchase orders for Organic Farm Foods.

In the first few years of the company's life, these processes were handled manually. For example, orders were read out over the phone, written down and re-keyed into the company's spread sheet based order processing system. This process would take up to two and half hours each day.

Summary...

Organic Farm Foods now benefits from faster invoice and order processing, from two and a half hours to 15 minutes.

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

Since implementing their e-Invoicing programme Organic Farm Foods has experienced improved document accuracy and process efficiencies.

By organising their supply chain effectively Organic Farm Foods has reduced inventory and decreased supply chain costs

A further benefit has been improved customer relationships with six major UK supermarket chains



Faced with aggressive competition in the organic foods market and with the increased drive from major multiples to remove costs from their supply chains, Organic Farm Foods needed to take a closer look at how it exchanged business documents with its trading partners.

Nick Hermann, Head of IT at Organic Farm Foods, explains: “We have a policy of on-going investment in IT, and constantly review ways in which we can cut costs and improve efficiency across the supply chain. With sales growing at a considerable rate each year, we recognised that we needed to automate our transactions not only to meet the needs of our customers, but also to further improve the running of our business.”

Organic Farm Foods wanted to speed up their processing and thereby achieve better cash flow, make savings in production and logistics, reduce errors and deliver better customer service. They turned to EDI (Electronic Data Interchange) to address these issues.

Organic Farm Foods opted to digitise the exchange of supermarket sales orders, projections, invoices and depot entry codes using Desktop EDI™, a PC-based solution from GXS. Desktop EDI enables small and medium businesses to trade electronically by offering EDI-translation and business document management capabilities.

“We are now far more responsive to the needs of our customers. As a result, we’re not only reaping impressive time- and cost-savings benefits, but also improving our customer relations. With less administration time, and improved document accuracy, we can focus our time on addressing more qualitative issues around the way we do business.”

Nick Hermann, Head of IT Organic Farm Foods

The software provides Organic Farm Foods with access to GXS’s Interchange Services global trading network and the necessary tools and services to help the company to expand and integrate with its in-house trading database.

Hermann comments on selecting GXS: “We had little experience of EDI when we embarked on electronic trade so, although setting up was relatively easy, the level of support GXS provided was important to us and the company’s track record further convinced us that we had made the right choice.” Organic Farm Foods uses Desktop EDI to perform data entry and document turnaround (from ordering to invoicing).

Currently, the company trades electronically with its six major supermarket customers, which represents 80% of its business, the rest of its trading partners are smaller organic retail specialists. Plans to expand its use of EDI to additional customers are already in the pipeline.



Moreover, the company is adding Advanced Shipment Notices (ASN) to its list of business documents exchanged via EDI. This will enable it to share information with customers regarding when the goods are shipped before they receive them.

The use of EDI has dramatically improved document accuracy, accelerated processing of orders and invoices and improved customer relations for Organic Farm Foods. In addition, instead of having multiple invoices to turn around daily, EDI is used to convert the information into consolidated electronic files which are automatically sent back to the customers.

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.