



# Electronic Invoice Management

A Move to the Middle

Q1 2014

*Featuring Insights on ...*

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Barriers to eInvoice Adoption

Building a Case for AP Automation

Usage of AP Automation

Factors Driving Interest in AP Automation

AP Solution Providers and Case Studies

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## Executive Summary

As the electronic invoicing market becomes more saturated in large companies, the small and medium enterprise (SME) market, those with annual revenues under \$250 million, continue to open up. Over the past year, PayStream analysts witnessed an increase in electronic invoice (elinvoice) adoption among SME's, as well as an increase in workflow automation.

New and improved innovations in elinvoice functionality including Software-as-a-Service (SaaS), free supplier portals, dynamic discounting and mobile transactional capabilities are the driving forces behind the increase in adoption in the middle market. More SMEs are now reaping the benefits that the large early adopters did, including reduced processing costs, increased invoice approval cycle times, improved cash management, and increased visibility, to name a few.

In addition to more companies or (buyers) implementing elinvoicing, PayStream survey results reveal that elinvoice adoption has been of keen interest among suppliers. The number of suppliers that no longer submit paper invoices and have converted to elinvoicing has increased dramatically. Today more suppliers send more invoices to companies in electronic format that do not require data entry, resulting in a more efficient and cost saving invoice process. Solution providers are now catering to suppliers with aggressive supplier on-boarding programs and easy to use supplier portals. More elinvoicing providers are offering their services to suppliers at no-cost, in an effort to build their supplier networks and keep buyers and suppliers connected across the globe.

PayStream analysts have also identified the growing trend within the industry that elinvoicing is not an end in itself, but rather part of an overall process and a culture involving integrated accounting systems, workflow, communications and supplier management. With Purchase-to-Pay (P2P) and elinvoicing solutions combined, companies can have unparalleled visibility, control and compliance required to optimize procurement and Accounts Payable (AP).

In 2013, PayStream Advisors documented these trends in the Electronic Invoice Adoption and the Invoice and Workflow Automation Benchmarking reports. These benchmark reports were based on the responses of more than 300 AP and procurement professionals at U.S.-based enterprises. This report elaborates on those findings by putting them in a broader context.

PayStream Advisors has developed this Technology Insight report titled *Electronic Invoice Management: A Move to the Middle*, for organizations with an active interest in elinvoicing who would benefit from an in-depth analysis of recent trends and solutions, in addition to profiles and case studies of leading invoice solution providers.

Electronic Invoice Management is one of several reports available for download in PayStream Advisors [Research Vault](#).

## Move to the Middle

It's been well over a decade of market excitement about the coming of the electronic future and we are now witnessing the long awaited migration of eInvoicing from the large early adopters into the fat middle market of the SMEs.

Until recently, AP automation initiatives were largely limited to Fortune 1000 companies, which had the human and capital resources to implement and manage these applications. Today, we are seeing this trend trickle down to the SME market because of two major factors:

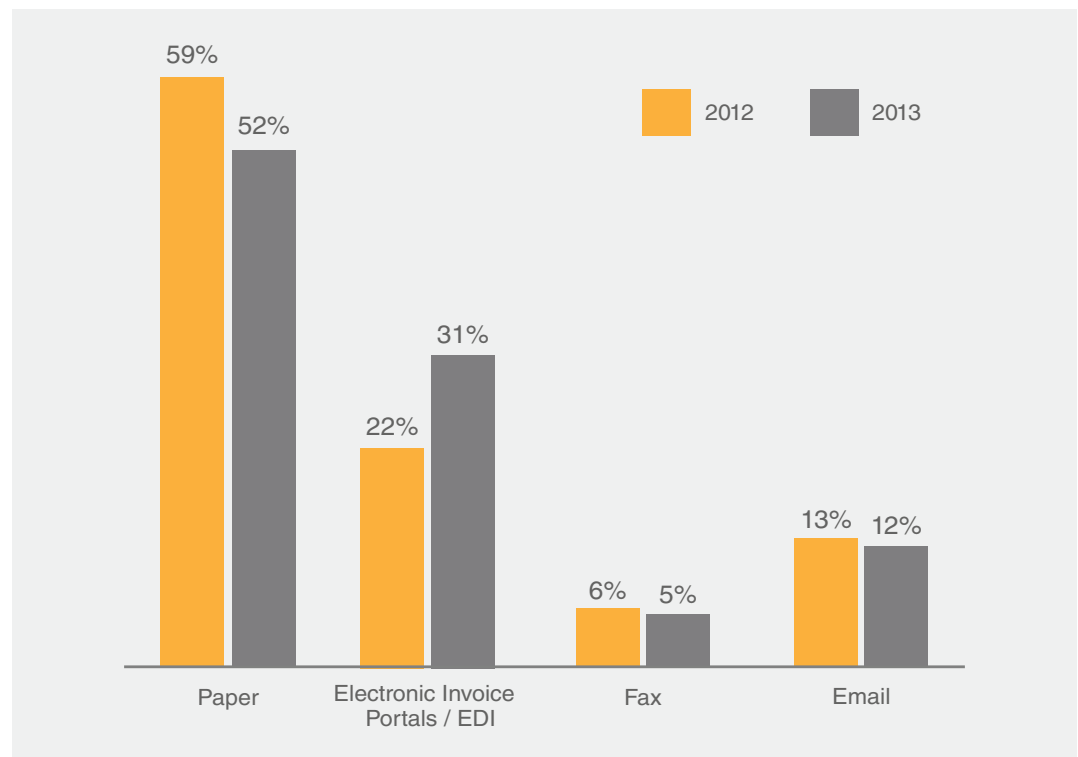
1. Small and medium-sized companies are struggling with manual, paper-driven processes and are realizing that automation can alleviate most of the challenges they face in their day-to-day operations.
2. The availability of affordable, easy-to-implement and use technology solutions is driving a renewed interest in AP automation for these smaller organizations.

One of the key factors contributing to the eInvoice SME market growth is the need to automate invoice processing and reduce operational cost. While paper is still prevalent, PayStream's latest survey data reveals that 52 percent of supplier invoices are traded on paper, down from 59 percent in 2012, see Figure 1. To highlight the increase in adoption, we can look back even further – in 2010 77 percent of supplier invoices were traded on paper. That's a 25 percent increase in eInvoice adoption in just three years.

**Figure 1**

### Breakdown of Invoices via Receipt Method

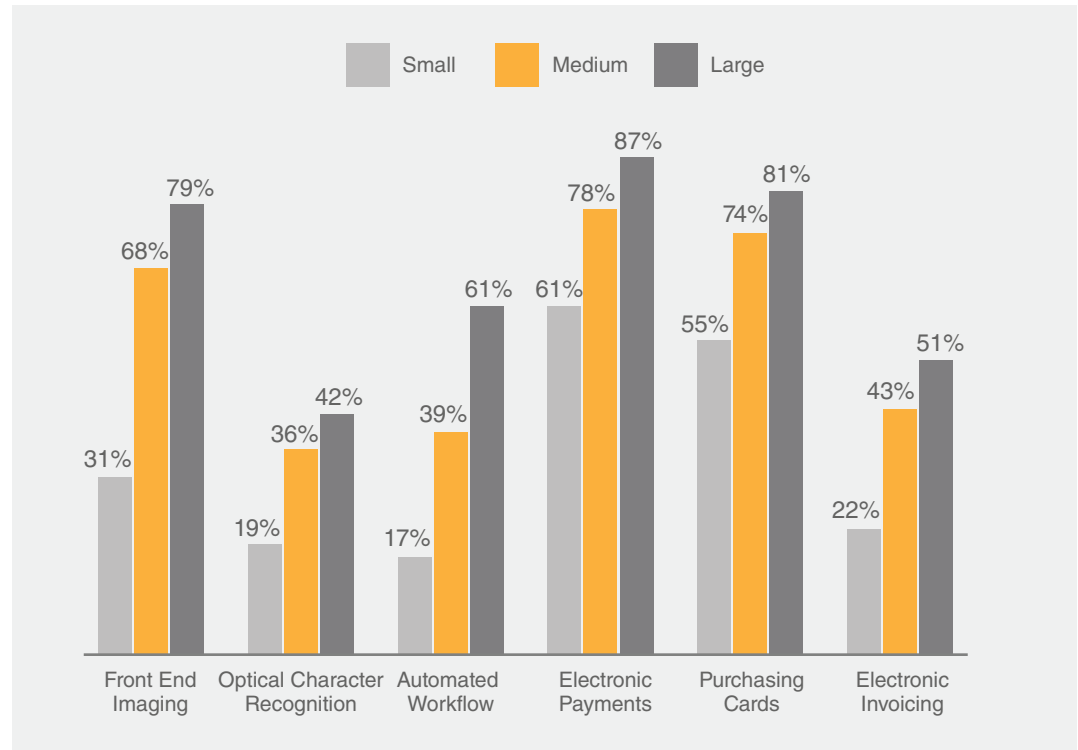
*Paper invoices continue to decline as eInvoicing gains more traction.*



While the goal is to remove paper from AP, there are suppliers still submitting invoices via paper. For this purpose, the majority of solution providers provide elnvoice conversion services such as scanning and data capture to convert paper invoices to elnvoices. Solution providers now work with a buyer's supplier base to help convert them to the elnvoice network which allows suppliers to submit invoices and buyers to submit electronic payments.

While large companies continue to lead the pack in automation, SMEs are quick to embrace AP automation, see Figure 2.

**Figure 2**  
**Adoption of AP Automation by Company Size**



AP automation technology has been proven and the results of the larger companies are there for all to see. SME's are now replicating those results and reaping the benefits that the large early adopters witnessed. Integrating elnvoicing into a broader spectrum of AP automation to improve the entire AP process is a trend that PayStream predicts will continue in 2014. If an invoice comes in electronically without a system in place to route it through AP, a company is not much better off than it was with a paper invoice. With a workflow system in place, the invoice can move seamlessly through the system from invoice submission to approval.

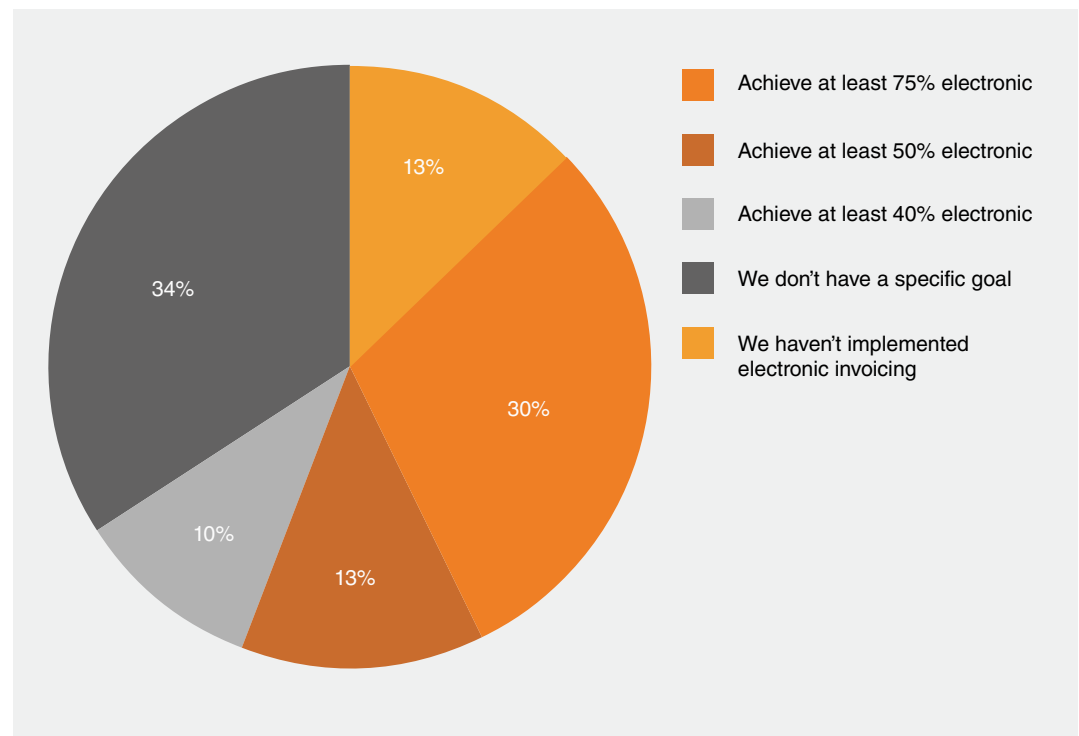
## Drive Towards Straight-Through Processing

More companies are moving to touchless or straight-through processing to optimize invoice management. This requires moving from a paper-based system to a fully digitized and automated system, resulting in time and money savings in the form of fewer errors, less exceptions and a reduction in calls from suppliers.

Straight-through processing automatically matches and validates submitted invoices. eInvoice solutions now allow suppliers to self correct errors before the invoice reaches the buyer, resulting in payables being processed quickly, efficiently, and at a much lower cost. Suppliers can also quickly access payment status information themselves, which saves AP an exorbitant amount of time fielding supplier phone calls. This frees up AP staff to engage in more strategic activities.

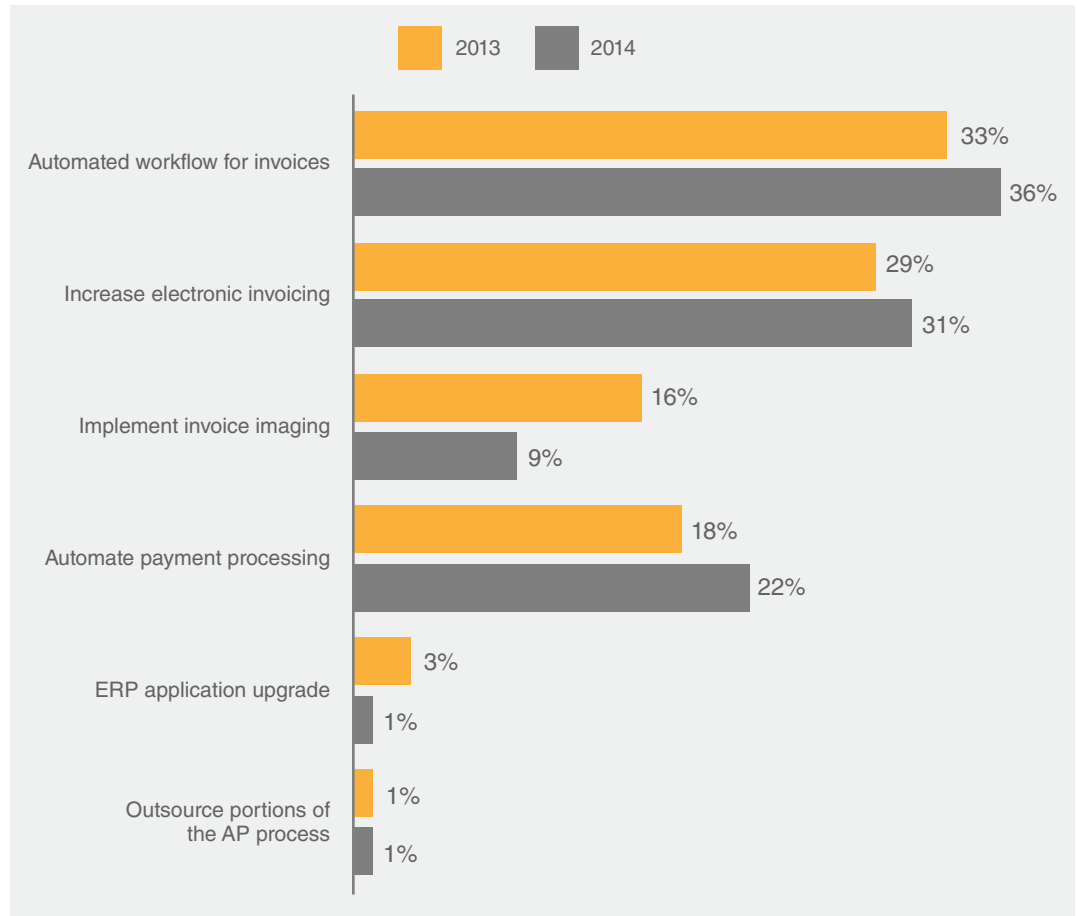
PayStream analysts are witnessing a trend towards more companies migrating to straight-through processing, and these companies are aiming high when it comes to AP automation goals. Over half (53 percent) of survey respondents reveal they are looking to implement eInvoicing in the coming year. Thirty percent are aiming high and are looking to achieve at least 75 percent electronic, see Figure 3.

**Figure 3**  
**2014 eInvoice Automation Goals**



In addition to eInvoicing, automated workflow and automated payment processing rank at the top of 2014 AP automation goals, see Figure 4.

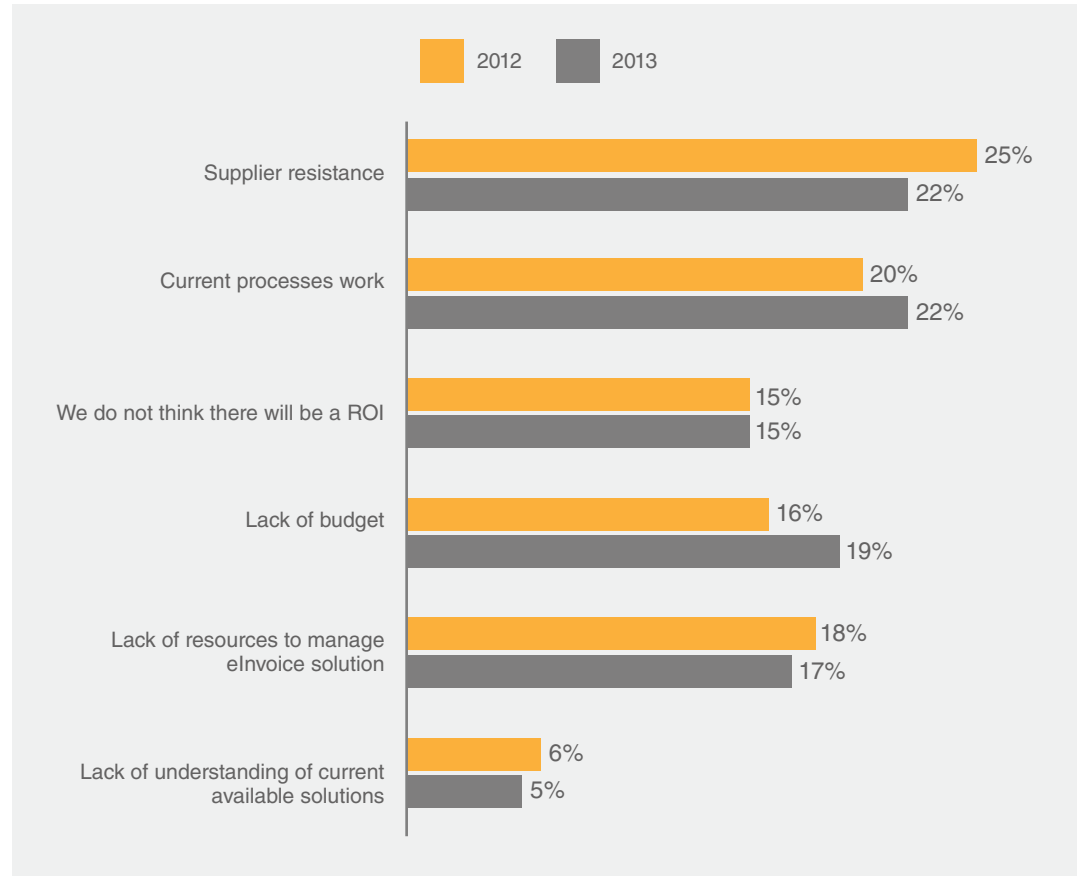
**Figure 4**  
**Top AP Automation Goals**  
**for 2014**



## Electronic Invoice Barriers

While resistance to AP automation adoption is decreasing, barriers to adoption still remain. The perennial favorites – supplier resistance, the belief that current processes work, and lack of budget – remain the top three barriers, see Figure 5.

**Figure 5**  
**Barriers to eInvoice Adoption**

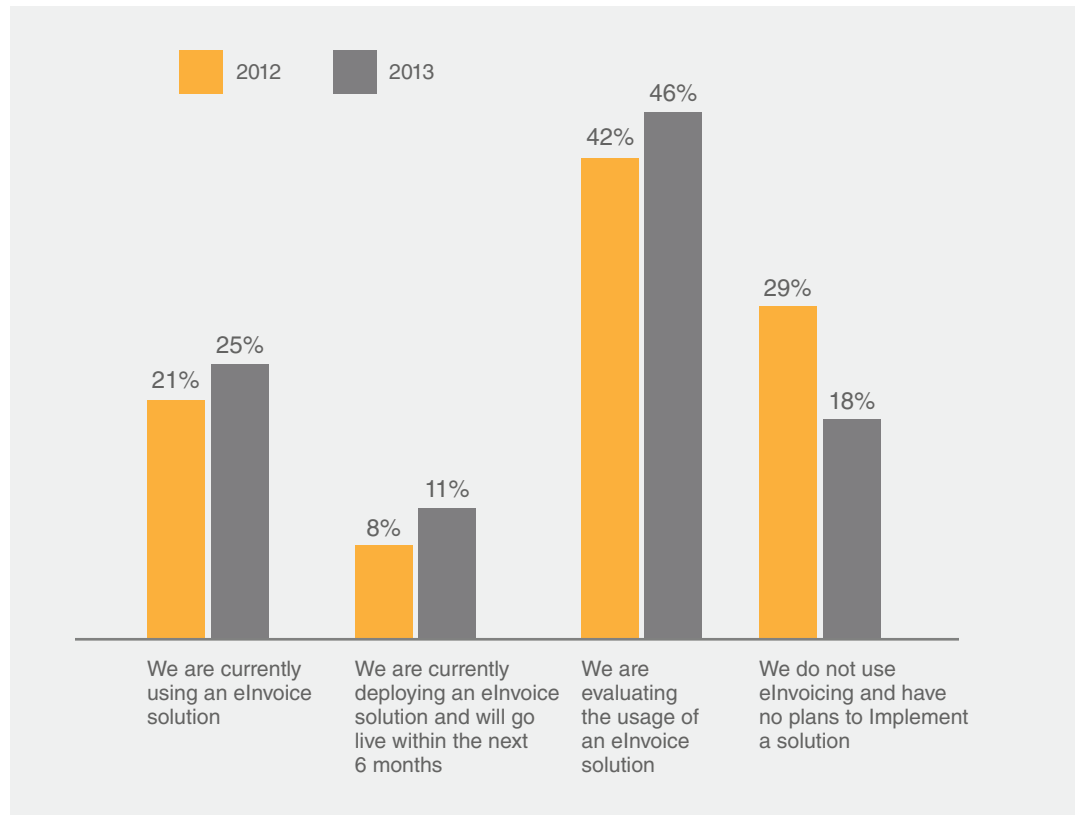


This adaptability seems to be paying dividends as more than 82 percent of companies surveyed have either adopted or are evaluating eInvoice technology – up 12 percent from 2012, see Figure 6.



Figure 6

Adoption of eInvoice Solutions



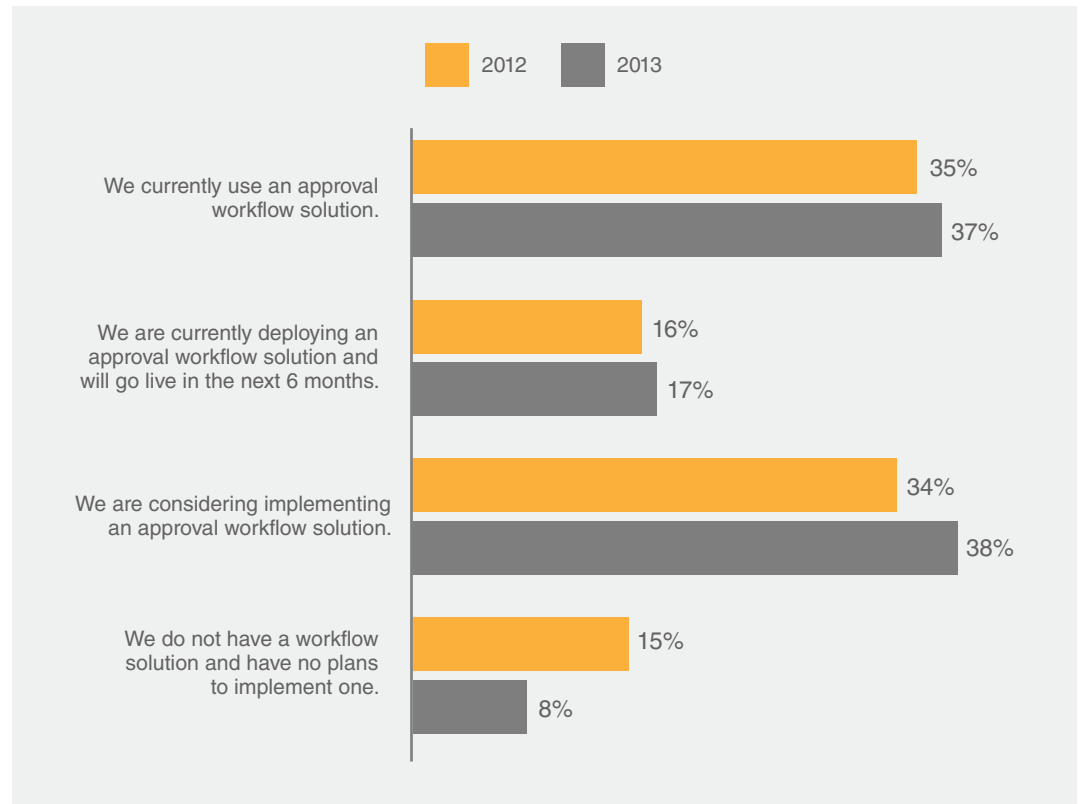
## Building a Case for AP Automation

The true value in eInvoicing lies in how successful a company is at assimilating invoice data into accounting systems and management workflows. It is this culture of integration that is resulting in a higher percentage of invoices being processed straight-through, while yielding the best return on investment (ROI).

Adoptions of approval workflow solutions continue to increase, up three percent from 2012 to 54 percent in 2013. Also promising is the number of survey respondents reporting they are currently considering implementing an approval workflow solution, 38 percent in 2013, up 4 percent from 2012, see Figure 7.

**Figure 7**

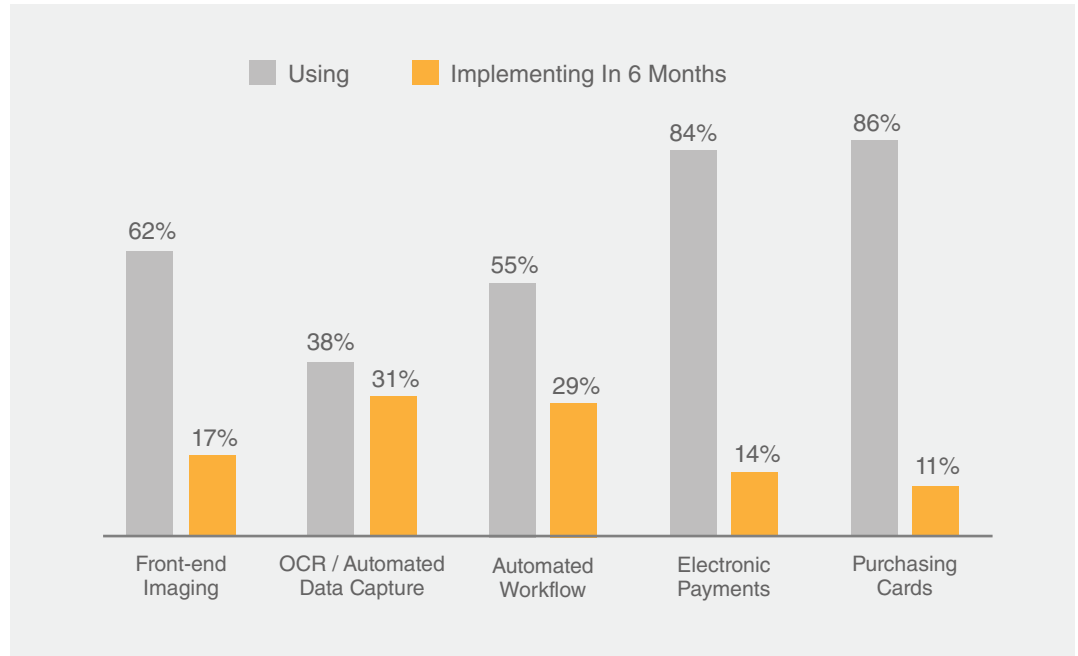
### Adoption of Approval Workflow Solutions



Use of AP automation continues to increase across the board. Nearly 100 percent of companies surveyed by PayStream Advisors over the past year responded they have adopted or have plans to implement electronic payments (ePayments) and Purchasing Cards (P-Cards), see Figure 8.

**Figure 8**

**Usage of AP Automation Technologies**



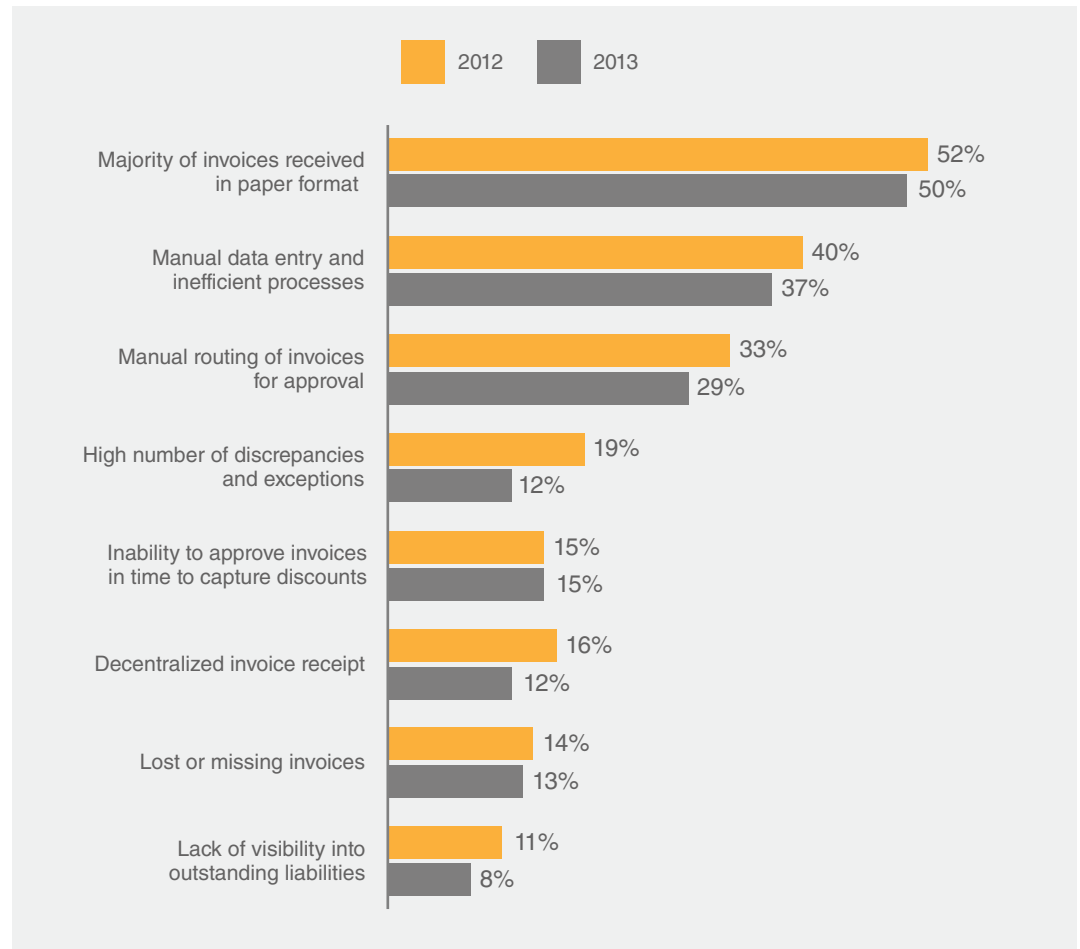
**Challenges Faced in AP Operations**

As the majority of invoices received on paper continues to decline the challenges associated with the invoice management process are also declining, see Figure 9. The reduction of paper invoices has led to significant process improvements, as more AP departments implement AP automation. As process improvements continue to increase, leading to greater accuracy and efficiency, momentum continues to build for broader applications of invoice management, including the ability to approve invoices in time to capture discounts, greater visibility into spending and improved cash management.

**Figure 9**

**Challenges in the Invoice Management Process**

*Challenges are reduced across the board as paper invoices continue to decline.*



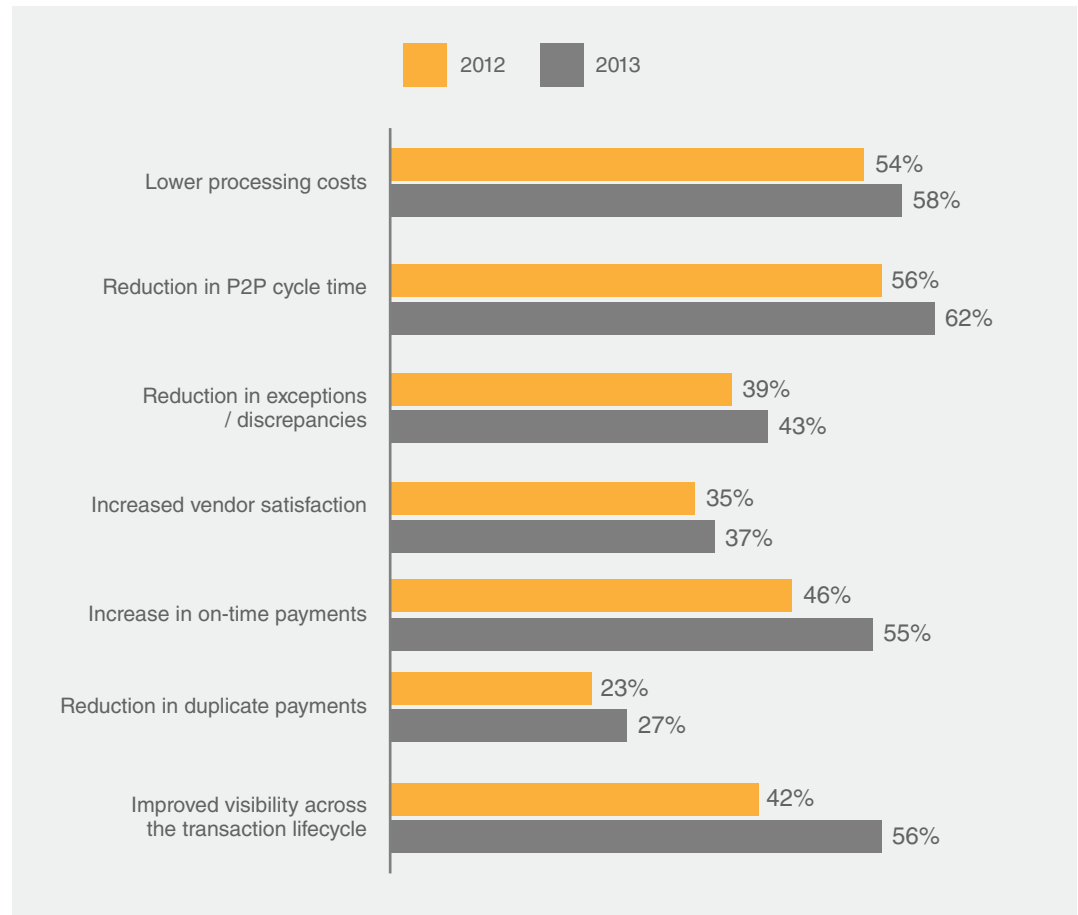
**Factors Driving Interest in AP Automation**

Historically the move from paper to eInvoicing has been driven by the accuracy and efficiency of workflow achieved by eliminating manual data entry and time-consuming routing of hard-copy invoices for approval. The current integrated approach to AP automation is being driven by a variety of factors. More than half of companies that adopted eInvoicing solutions cited a reduction in full time employee (FTE) or processing costs and faster approval cycles as key benefits, along with a broader application of eInvoicing solutions, see Figure 10.

**Figure 10**

**Benefits of eInvoicing**

*Survey respondents report the top benefit achieved by implementing eInvoicing is the reduction in procure-to-pay cycle time.*



As AP departments become more centralized, companies are reaping the benefits of stronger trading relationships, dynamic discounting, risk-management and cash management. Automation solutions that enable trading partnerships between buyers, suppliers and banks to seamlessly exchange transaction-related information and funds are becoming increasingly popular. Specific factors driving interest in automation include:

- » A competitive business environment is forcing businesses, especially SMEs to focus on reducing processing costs and increase efficiencies associated with invoices and employee expenses.
- » Streamlining the AP process has become vital in a tough economy where adequate cash flow and greater control over payables are critical to maintaining liquidity and sustaining business operations.
- » Increased interest in early payment discount capture drives smaller organizations in particular to investigate tools and technologies that enable them to compress their invoice receipt-to-approval cycles.

Buyers are not the only ones reaping the rewards of AP automation. Suppliers are rallying behind recent value-added services such as supplier networks, dynamic discounting, PO and invoice flips, and low or no-fee supplier transaction costs. Suppliers who have migrated to eInvoicing have reaped a number of tangible benefits including:

- » **Increased Efficiencies:** Significant time is saved when employees do not have to print paper invoices and mail them to their customers, freeing up accounts receivable staff to focus on more value-added activities like collections and customer relations.
- » **Lower Costs:** Reduction in labor, material and postage costs are common with all eInvoicing solutions. Our research reveals that suppliers who adopt electronic invoicing can slash their invoice management costs by more than 50 percent.
- » **Error Reduction:** Validation rules configured into eInvoicing solutions flag errors at the time of submission and prompt suppliers to correct them, reducing the number of exception invoices downstream.
- » **Faster Settlement:** Electronic invoicing shortens the invoice processing and approval cycle on the buyer side. Combined with electronic payments, this ensures that suppliers are paid on time, or in some cases, early.
- » **Improved Visibility:** Suppliers have real-time access to invoice and payment status from a standard Web browser, providing for quicker handling of reconciliation questions and fewer help desk calls.
- » **Better Cash Flow Forecasting:** Automating invoice processing and payments reduces uncertainties. Consistency around payment timing means suppliers can better perform cash flow forecasting.
- » **Eliminate Reprint Requests:** Electronic invoicing solutions drastically reduce the number of lost and missing invoices, which means reprint requests from buyers will virtually be zero.
- » **Quicker Dispute Resolution:** Suppliers now can view disputed invoices at any time and provide supporting/backup documentation as needed, making dispute resolution a collaborative process as well as accelerating resolution.
- » **Decreased Days Sales Outstanding:** Dynamic discounting and supply chain finance capabilities available as part of eInvoicing solutions allow suppliers to decrease days sales outstanding (DSO) without adversely affecting customer relations.
- » **Access to Cheaper Capital:** Dynamic discounting delivers financing at more attractive rates to suppliers than factoring or asset based lending.

## Overcoming AP Automation Road Blocks

Despite the steady increase in the number of companies adopting electronic invoicing, paper invoices remain a primary method of B2B billing in the United States. Barriers to adoption today remain the same as they've always been. Here's where things stand.

### ***Supplier Resistance***

Although eInvoicing expedites payments, the very prospect can raise the hackles of suppliers who are content with their paper-based system and not of a mind to change. Twenty-three percent of survey responders cited their belief that "current processes work" as the main reason for avoiding eInvoicing. It can be difficult to overcome resistance from suppliers who believe the saying, "if it isn't broke, don't fix it." In this case, the buyer's success depends upon demonstrating to their supplier a compelling value proposition.

Suppliers want to know "what's in it for them." Buyers need to have a compelling answer. Suppliers will respond positively to evidence that participating in a cloud-based eInvoicing solution will result in accelerated payments, new business referrals, enhanced reporting, financing opportunities, and improved cash management. Supplier recruitment also requires an ongoing effort. The steady growth of supplier participation demonstrates the positive results of persistence.

### ***Technical Challenges***

This was once a formidable obstacle. Today, however, the challenge of integrating new applications with legacy systems is becoming less daunting. Most applications on the market today integrate easily with systems on buyer and supplier sides, resulting in secure and seamless data transfer, as well as streamlined processes and more efficient workflows. This trend should accelerate as companies replace older legacy systems with modern architecture, and adopters realize the benefits of faster approval and cycle times, better cash flow forecasting and vendor relations.

For those companies concerned with the upfront costs of technology, hosted solutions and SaaS delivery models offer minimal implementation costs. The technology providers are responsible for maintenance and upgrades.

### ***Business Practices***

Electronic invoicing requires a tremendous change in the way buyers and suppliers conduct business. Many suppliers are concerned that if they switch to electronic invoices and payments they will lose the remittance detail they need for payment reconciliation. The emergence of invoice, payment and remittance advice consolidation; however, is starting to alleviate this issue. These services, provided by third party invoice and payment networks and processors, collect detailed

payment information from buyers and make it readily available to suppliers in formats compatible with their accounting systems. With many solutions, suppliers have multiple options for receiving detailed remittance information - email, fax or even direct integration with their accounting systems.

Buyers' concerns about loss of check "float" have largely become a non-issue, thanks to a combination of extremely low interest rates, faster check processing, and the emerging ability to manage payment dates using purchasing cards, dynamic discounting, and other electronic payment tools.

### ***External Change Begins with Internal Change***

More than 32 percent of survey respondents indicated they send more than half of their purchase orders electronically to suppliers, up 25 percent from 2012. However, organizations of all sizes have internal struggles when it comes to managing change. To gain better acceptance from suppliers, it is a good practice to involve them in the process rather than autocratically mandate change. One proven method to increase supplier acceptance of eInvoicing is to give suppliers the ability to conduct purchase order (PO) flips. PO flips provide value to suppliers by enabling them to convert POs directly into invoices by drawing data directly from the PO. The more accurate and timely an invoice, the quicker a supplier gets paid.



## Nipendo

Founded in 2007, Nipendo is a provider of supplier cloud Procure-to-Pay (P2P) automation. The Nipendo platform empowers enterprises around the world to achieve over 90 percent straight-through processing.

The Nipendo solution automates the entire P2P process. It is ERP agnostic and integrates seamlessly with any ERP or accounting system. The latest version of Nipendo Supplier Cloud, recently released, includes a new and easy to navigate user interface (UI). It also introduces new functionality including dynamic discounting, supplier onboarding, business intelligence, KPIs, and an action-oriented dashboard with user-configurable notifications and alerts. The new release also includes robust mobile functionality that allows users on the go to stay plugged into their business documents at any time, from anywhere.

Nipendo’s electronic invoicing solution empowers an automated end-to-end process that matches invoices with purchase orders (POs) and receiving records, enabling nearly 100 percent invoice reconciliation on the buyer side and providing suppliers with instant acknowledgement and confirmation.

Nipendo provides three guarantees, including:

1. Ninety percent touch-free, error-free straight-through processing.
2. Leverage existing solutions - Nipendo enables enterprises to achieve the next level of P2P automation while maximizing any investment made in buyer-supplier connectivity solutions.
3. Pay only for automatically reconciled invoices – this pay for performance pricing model delivers exceptional value, allowing users to pay for invoices that are process straight-through to the ERP, without any errors, fully reconciled and ready for payment.

<b>Website</b>	<a href="http://www.nipendo.com">www.nipendo.com</a>
<b>Founded</b>	2007
<b>Headquarters</b>	Burlington, MA
<b>Other Locations</b>	Israel
<b>Number of Customers</b>	18,460
<b>Number of Employees</b>	50+
<b>Target Verticals</b>	Aerospace and Defense, Consumer Goods, Energy and Utilities, Engineering and Construction, Financial Services, Healthcare, and Manufacturing
<b>Partners / Resellers</b>	IBM, Microsoft, PNM Soft, SAP SB1, Synertrade, Top Image Systems, and Tom Group

<b>Awards / Recognitions</b>	2013 Green Supply Chain Award (Supply and Demand Chain Executive)
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***Solution Overview***

Nipendo Supplier Cloud is delivered exclusively as a cloud-based Software-as-a-Service (SaaS) model and supports the entire P2P lifecycle, including POs, shipping, receiving, electronic invoicing and payments. The company has a proven track record of large scale implementations, along with rapid onboarding of thousands of suppliers to achieve over 95 percent supplier participation. This high level of automation enables Accounts Payable (AP) to shorten the cycle time for invoice approval and processing from days and weeks to only minutes. Nipendo’s open platform allows plug-in integration of best-of-breed third party solutions, such as sourcing, workflow, optical character recognition (OCR), and digital signature.

Nipendo works with a number of highly sensitive organizations including defense contractors and healthcare organizations that require top-level security practices and auditing of Nipendo’s adherence to these practices. Nipendo employs multiple levels of security including private cloud infrastructure protected by best-of-breed hardware and software solutions, secure Web service connectivity, three-way verification for user login, optional digital signature, and Internet security procedures.

***Supplier Engagement***

Nipendo currently has nearly 20,000 suppliers enrolled on their network, with hundreds more added each month. Any supplier connected to the Nipendo Supplier Cloud can immediately start collaborating with any buyer organization connected to Nipendo without any additional effort. This is regardless of any differences in data structure, business rules, process flow or any other specific buyer requirements. This unique B2B integration platform removes the barriers to connectivity across the supplier ecosystem and requires no complex customizations, data mapping or changes to existing business processes. Once on-boarded, suppliers can receive POs, approve, reject or modify the orders, send shipping notifications, submit invoices, and receive payment confirmations.

Suppliers can utilize the Supplier Cloud portal for free, or pay a nominal fee for higher-value services such as direct B2B connectivity to the Nipendo Supplier Cloud.

***Electronic Invoicing***

The Nipendo Supplier Cloud provides suppliers with a range of options for submitting electronic invoices. Suppliers can submit invoices directly from their ERP or billing system, (either with direct machine-to-machine connectivity or using the Print-to-Nipendo printer driver) or through the Supplier Cloud Web portal. In addition, Nipendo

Supplier Cloud accepts paper invoices through their partnership with Top Image Systems (TIS).

Nipendo's eInvoicing accelerates the speed of business and eliminates non-productive manual processes. Even before an invoice is received on the buyer's side, it is preemptively validated by the Nipendo platform for data accuracy and compliance with the buyer's specific requirements. Validations are based on business rules that can be specifically configured based on a customer's requirements, including tax and exchange rate verifications. Customers can use pre-defined business rule templates and modify them to match their requirements.

In addition to data validation, invoices are also matched with POs and receiving records, in real-time. Nipendo's instant invoice reconciliation immediately alerts suppliers if an invoice is non-compliant, so they can correct any issues before the invoice enters the buyers accounting system. Automated reconciliation allows buyers to immediately process close to 100 percent of invoices straight-through to their ERP system. Designated users get alerted to the few invoices that require attention, allowing AP to transition from tedious manual processing to management by exception.

### ***Approval Workflow***

Over 90 percent of the invoices that go through the Nipendo Supplier Cloud are processed straight-through to the buyer's ERP system without any manual intervention. For invoices that are not automatically approved, Nipendo offers an integrated partner solution PMNSOFT that provides best-of-breed workflow capabilities including user hierarchies, approval authorities, routing to specific users or roles, task prioritization, alerts and notifications and graphical user interface for workflow design. Other workflow solutions may also be used based on customer preferences.

### ***Electronic Payments***

Nipendo does not provide payment processing to the supplier. Rather, it allows buyers to automate invoice approval. Once the invoice is approved for payment Nipendo enables the buyer to automatically notify the supplier of an expected payment date. The Nipendo system can also send a payment notice when payment is complete.

The Nipendo Supplier Cloud provides Dynamic Discounting capabilities that can be enabled through business rules. The customizable UI allows users to configure Dynamic Discount schedules for different payment terms, different spend types, suppliers and invoice amounts. When suppliers get an invoice approval notification that includes Dynamic Discounting, they are presented with a choice of payment terms that they can select from, along with the corresponding discounts.

### ***Reporting and Analytics***

Nipendo provides robust reporting functionality that allows both buyers and suppliers to generate a wide range of online reports for all types of business documents. All reports can be quickly filtered and sorted by any data attributes for drilling down into detailed analytics. A complete business intelligence dashboard is available that delivers key performance indicators (KPIs) to provide a comprehensive real-time view of performance and areas for improvement. Reports can be downloaded as Excel or CSV files and scheduled for email delivery.

### ***Pricing and Implementation***

Nipendo's average implementation takes two to three months and includes project definitions, system configuration and customer side development.

Nipendo is the only company that offers a unique fee model that guarantees a return-on-investment (ROI) on the solution. Customers pay a per-transaction fee but only for invoices that are processed straight-through to their ERP without any error or manual effort. There are additional professional service fees for implementation of the solution, but no license fees as long as a minimum transaction volume is reached.

### ***Training and Support***

Nipendo provides a complete suite of deployment and support services, including:

- » A dedicated project manager for the entire implementation phase
- » Account manager during and post-implementation
- » Online and phone support for both buyers & suppliers
- » On premise and online training
- » User guides and walkthrough videos
- » Turnkey supplier onboarding management (optional)

## Nipendo Case Study

### *Clalit Healthcare Services*

Clalit Healthcare Services is the world's second largest HMO and the largest payer (insurer) in the Israeli healthcare market, covering over 4 million people. In addition, they provide healthcare services and play a vital role in overall healthcare delivery in Israel, operating over 1,400 clinics, 14 hospitals, more than 400 pharmacies, and over 800 medical facilities with a total employee count of over 37,000.

The company's infrastructure led to a highly decentralized buying model with a significant amount of paper moving back and forth between buyers and suppliers. With purchase volume exceeding \$2.5 billion and 1,500 employees handling over 2 million invoices annually, Clalit needed an eInvoice solution to get rid of the paper and streamline the invoice management process.

When searching for an eInvoice solution provider, they considered 20 different vendors. They were looking to migrate to a solution that could automate invoice matching and reconciliation, provide greater visibility into overall supplier relationships and transactions, meet regulatory requirements, as well as improve overall efficiency and productivity. They wanted to partner with a solution provider that would deliver results quickly, and at a reasonable cost.

Nipendo successfully met Clalit's business requirements as well as their regulatory ones. As of today, close to 100 percent of Clalit's suppliers of both direct and indirect goods (over 9,000 suppliers in total) are connected to the Nipendo platform. Nipendo's platform allows suppliers to quickly submit invoices in a machine-to-machine manner, through the Nipendo supplier portal, or the Print to Cloud option. No matter which way a supplier submits an invoice, the Nipendo platform automatically creates a signed PDF of the invoice for the tax authorities, as well as an XML capturing of the data and metadata associated with the transaction in electronic form.

"Nipendo's ability to understand the content of the invoice, link it with corresponding transactions, validate it based on our business rules, and reduce all process errors and manual interventions gave the company a great ability to control overall processes to drive compliance with regulation, plus achieve an improved business outcome," states the Head of Corporate Administration at Clalit Healthcare Services.

eInvoicing is an important piece of how Nipendo is used, but the true value lies in the platform's connectivity to suppliers prior to the invoice process. Nipendo provides the functionality to issue a PO directly out of SAP and communicate with suppliers across all direct and indirect spend areas. On the back end, when Clalit receives the goods or services from the supplier, they simply

record it in SAP and a message is sent to the Nipendo platform that matches it with the supplier shipping notice, at which time Nipendo alerts suppliers of what exactly was received. This allows the supplier to issue an invoice that's essentially preapproved for payment.

Through the Nipendo platform, Clalit can perform all of these activities automatically, without any manual intervention for over 90 percent of their transactions. This percent will continue to increase as Clalit continues to correct issues the Nipendo system helps them identify. The Nipendo platform is driven by business rules based on the type of purchase activity. Exceptions that do not meet the business rules are flagged and handled manually.

To ensure a complete touch-less and errorless processing, each invoice is validated against dozens of different business rules that scan over 400 data fields in the invoice and related documents. If any of these validations fails, Nipendo sends a message to the supplier that enables them to self-correct any errors and discrepancies before the invoice reaches Clalit's SAP.

Once a valid invoice is submitted, it takes less than three minutes for the supplier to receive payment confirmation with the amount and date of payment. That's compared to weeks or even months that it took to process these invoices manually prior to the implementation of Nipendo.

Beyond simple data validations, Nipendo provides financial controls, visibility, and the ability to avoid payment discrepancies. For example, this system helped Clalit spot over 1,000 invoices incorrectly entered by suppliers that totaled over \$12 million when a tax rate was raised from 16 percent to 18 percent. Nipendo's validation rules captured these errors and they were quickly resolved by the suppliers, saving Clalit hundreds of thousands of dollars in overcharges as well as many hundreds of working hours reviewing invoices and manually fixing invoice errors.

## Conclusion

Early eInvoice adopters have witnessed firsthand the efficiency and cost saving opportunities derived from AP automation. The SME market is now tapping into eInvoicing and AP automation initiatives to reap the benefits that the large early adopters did. However, companies of all sizes are now realizing that eInvoicing is just scratching the surface of AP automation and additional opportunities lie ahead in the form of automated workflow, P2P automation, improved cash flow and working capital management.

Companies currently considering AP automation need to plan beyond eInvoicing and know what they plan to do with the data once they get it. Without a supplier management strategy and a culture conducive to workflow automation, the potential for friction is high. The solution providers in this report have devoted considerable developmental resources toward addressing this problem, and PayStream is encouraged by what we are seeing.

Today's savvy eInvoice solution providers are able to quickly and cost effectively arm companies with the automation tools needed to turn AP departments into profit centers. Electronic invoice management and automated workflow are top priorities for companies in 2014, and PayStream predicts this year to be a banner year in terms of automation adoption in the U.S.

## Research Methodology

The findings in this report are based on the results of PayStream Advisors Invoice and Workflow Automation Adoption and Electronic Invoice surveys conducted in 2013. Participants in the surveys included more than 300 AP, treasury and procurement professionals. Based on PayStream's experience and the number of survey respondents, the survey has a confidence level of +/-7 percent with a 95 percent level of confidence.

## About PayStream Advisors

PayStream Advisors is a technology research and consulting firm that improves the way companies plan, evaluate, and select emerging technologies to achieve their business objectives. PayStream Advisors assists clients in sorting through the growing complexities of IT applications related to business process automation with the goal of making objective, analytical, and actionable recommendations. Wherever business process automation technology is an issue, PayStream Advisors is there to help. For more information, call (704) 523-7357 or visit us on the web at [www.paystreamadvisors.com](http://www.paystreamadvisors.com).