

NHS Revolutionises Invoicing with Tradeshift

Anglia Support Partnership (ASP) uses Tradeshift's online invoicing function to process 450,000 paper invoices for NHS organisations.



ASP provides business support services across the east of England, managing everything from finance and payroll to property management and IT for 50 organisations, primarily within the NHS. With a turnover of £36m and over 600 staff, it's a burgeoning business that forms the administrative backbone for many trusts and NHS organisations.

In the finance department, 42 ASP employees manage 17 clients, processing 450,000 invoices per year from over 10,000 individual suppliers. To cope with this monumental task, ASP uses the Capita IB Solutions Integra Finance System but nearly every invoice received by ASP comes by post and has to be added into Integra using optical character recognition (OCR) or manual input.

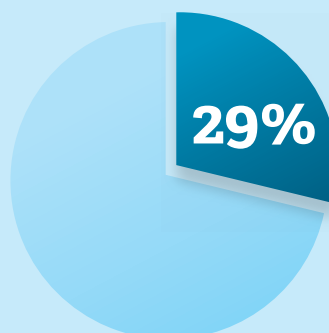
450,000 paper-based invoices per year cause resourcing headaches

As Nick Wood, Corporate Director at ASP explains, this is a highly resource-intensive process: "Paper invoices cause an incredible amount of strain on business. Not only do they have to be opened and logged, we then have to match them to purchase orders and input the data. Even if we use OCR, this is a time

Summary

ASP was managing nearly half a million paper invoices across thousands of suppliers - a challenge both in its burden on resources and the potential for error or interference with the process. So the company went in search of an alternative to improve its efficiency and replace this system with one that would provide more value.

- Uses Tradeshift for 450,000 invoices a year from 10,000 suppliers
- Predicts 20% efficiency savings after two years
- After four weeks, 29% of suppliers switched to Tradeshift



Within just four weeks 29% of ASP's suppliers were active on Tradeshift

consuming process, and not as effective as e-invoicing.”

ASP knew e-invoicing could be one answer to its problem. *“We were eager to reduce transactional costs and make efficiency savings; eliminating the burden of paper invoices offered a clear route to achieve this. This would allow us to give our clients a better service and become even more efficient and competitive within our market,”* explained Wood.

Free invoicing is an attractive offer

A number of different solutions were evaluated but Tradeshift immediately stood out from the pack. *“Our intensive feasibility study looked at a number of the leading products on the market”* said Wood. *“To ensure we got as many suppliers on board as quickly as possible, we wanted something that was simple to use and didn’t have any additional cost implications.”*

Tradeshift is an online platform that allows suppliers to exchange invoices for free. Through the online social network for business, companies and their suppliers can create and process electronic invoices, exchange business documents and also communicate with each other in real time to help smooth the entire payment process. Tradeshift also provides open APIs, allowing businesses like ASP to connect with existing finance and ERP systems, like Integra, to help improve internal business processes. Tradeshift also allows users to add a series of Apps to enhance functionality. For example, a Purchase Order app helps extend and simplify standard business processes.

Better communication with suppliers

“Tradeshift offers a radically fresh approach to e-invoicing. Not only does it integrate well with Integra, but, because there’s no cost to suppliers, adoption is guaranteed to be higher,” concluded Wood. *“Another on-going problem we experienced was communicating with suppliers once invoices were in the system. Tradeshift’s online messaging and status update features offered us a way to dramatically reduce the volume of phone calls we received from suppliers.”*

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Because Tradeshift is online-based, there’s no set-up required for suppliers apart from creating an account and a company profile. Once active, users can begin to expand their network, connecting with other companies they do business with, whether they are suppliers or customers. Deployment for ASP was easy too. Once the integration

with Integra was complete, ASP emailed their suppliers using the Tradeshift campaign management tool to inform them about the new system.

In the first week, ASP was delighted to see nine per cent of suppliers already active on the system. Within just four weeks, this figure had rocketed to 29%.

On target to dramatically reduce paper invoicing

“We have been amazed at the speed and impact of adoption by suppliers. Our targets had been fairly conservative; in the first year we believe we can make a 5% efficiency saving and up to 20% after year two. In three years we hope to get 70 to 80% of all our invoices through the Tradeshift system. It is still early days but I have no doubt we will meet and exceed these targets. Once the rollout phase is complete, we plan to make Tradeshift mandatory for all suppliers,” said Wood.

“We have already seen a marked reduction in manual inputs and improved data accuracy. By communicating directly with suppliers through the Tradeshift network, we’ve also seen an enormous reduction in the quantity of calls received. It’s good news for suppliers too, they know that by using the business rules set up in Tradeshift, their invoices will directly feed into Integra and many are reporting prompter payments. This is important for NHS clients who often have aggressive targets for invoice payment times.”

A new way of working

By reducing the use of OCR and manual input, ASP hopes to reduce cost per transaction, passing savings onto clients and making ASP’s financial service offering even more competitive. Longer term, ASP also hopes to see a reduction in its carbon footprint from the decrease in resources required to manage the process.

“We are going to practice what we preach and will be issuing all our invoices through the system too. The working relationship with Tradeshift has been excellent and everyone at the company has been incredibly supportive. This is an exciting new way of doing business and one that gives us the edge over our competition while offering greater efficiency for all,” concluded Wood.

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