

A CUSTOMER SUCCESS STORY

How LGSS is saving UK taxpayer money through AP automation

Shared services in local government still causes a lot of bureaucratic headaches, especially when it comes to supplier invoicing. Tradeshift e-invoicing is like a fast-acting painkiller.

One of the largest shared services organisations in the UK, it's LGSS' job to pay for public services across three local government authorities — Cambridgeshire and Northamptonshire County Councils and Milton Keynes Council. This means there is a constant stream of invoices clamouring to be settled. Most of these are filed digitally by the suppliers, but around 180,000 of them still need to be processed manually. Imagine the bureaucracy.

This is where Tradeshift comes in. "It's a question of how we might manage all these invoices better," Chris Law, Head of Transactions LGSS, says. "We're processing millions of them every year. Thousands are purely manual invoices. Many others require some sort of manual intervention. That's the bureaucracy we're trying to eradicate."

Tradeshift Pay is the perfect tool to solve LGSS' problem. Quick, simple, efficient and free for all suppliers to use, it helps buyers and suppliers connect, transact and collaborate, and is already being used by more than 800,000 businesses in nearly 190 countries worldwide.

LGSS plan to go live with the Tradeshift platform in late October 2016. They expect the lion's share of their suppliers to have signed up by March 2017. IT, healthcare, highways and

transportation, maintenance, gardening, plumbing, heating... they employ nearly 33,000 contractors in many varied fields.

Chris is sitting in a bright, airy office in Northamptonshire's County Hall. This is one of LGSS' locations, from where they administer all their public services across Northamptonshire, and neighbouring Cambridgeshire and Milton Keynes. Next to him is Christine Reed, LGSS Director of People, Transformation and Transactions. Together they explain the many benefits of the new Tradeshift invoicing system.

Firstly, it will remove bureaucracy. Suppliers will simply follow a link LGSS sends to them, and then they'll register on Tradeshift with a click of the mouse. It's far easier than any traditional invoicing method. "Normal paper and emailed invoices can easily get lost," Chris explains.

“Perhaps the purchase order number doesn’t match, or there’s incorrect data, which means lots of to-ing and fro-ing between the supplier and the accounts department.”

Secondly, it means suppliers can ensure they get paid more promptly. LGSS claim 96 per cent of the invoices they receive are settled within 30 days. “We’re particularly conscious of our local and small businesses,” says Christine. “It’s really important for us that residents and businesses across Northamptonshire, Cambridgeshire and Milton Keynes are supported. It’s all about keeping our local economy afloat as well.”

But the most important reason LGSS signed up to Tradeshift is because it will save them money — savings they can ultimately pass on to the public purse. A streamlined invoicing system ensures that LGSS will need less resource in

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their Accounts Payable function so lowering the cost of processing an invoice... and simpler software means they don’t lose money on expensive IT contractors. Once LGSS get the system up and running, their own IT specialists will take care of everything in-house. “It’s incredibly important we have a business system that is agile, flexible and intuitive” Christine adds. LGSS estimates Tradeshift will save them a huge £250,000 over the next five years.

But will the organisation’s myriad suppliers be keen to adopt the new system? “It will be easy to get the big guys on board because their invoicing is already electronic, so they can switch straight through to Tradeshift.” Chris explains. “It might be trickier with the smaller suppliers who invoice us only once in a while. Perhaps they are still putting their paper invoices through the post. The carrot for them is that they will get paid much quicker. And they will be able to track where their payment is within the system which means they can plan ahead financially.”

The implementation of the Tradeshift solution sits alongside a much larger business systems implementation programme. LGSS are currently replacing Northamptonshire, Cambridgeshire and Milton Keynes ERP business systems with a new single shared ERP Gold solution. Once implemented they are confident that this will be a best in class fully integrated HR and Finance business system which will be more affordable and scale-able for other public sector partners to adopt. As part of this LGSS will continue looking at adding additional applications to the Tradeshift platform.

ABOUT TRADESHIFT

Tradeshift is a global network and platform that helps companies innovate the way they buy, pay and work together. Tradeshift connects 800,000 businesses across 190 countries, and is headquartered in San Francisco, with offices in Copenhagen, New York, London, Paris, Suzhou, Tokyo and Munich.