

CASE STUDY

Why DHL, the World's Largest Courier, Switched to Tradeshift



Tradeshift spoke with Steven Verhasselt, Program Manager, DHL GBS Finance & HR



One of Fortune's "World's Most Admired Companies", DHL is the world's largest international courier and logistics company, with a market capitalization of \$50 billion. DHL has 467,000+ employees in more than 250 countries and territories worldwide. Since its privatization in 1995, DHL has significantly expanded its business through acquisitions.

Before Tradeshift

TS: What did your invoice processing look like before Tradeshift?

SV: We run a number of ERPs – SAP, Oracle, JD Edwards – and they each have different templates which are still linked to acquisitions we did in the '90s and 2000s. We process 10 million invoices per year. Given the volume, we were looking for ways to increase the efficiency of processing those invoices.

TS: Had you attempted e-invoicing before?

SV: We worked with different provider back in 2007, and implemented them in our European markets. This resulted in 12,000-15,000 invoices received on that platform per month. This was roughly 30% of the supplier and invoice volume that we handed over to that provider, which was well below what

we expected. We expected to reach about 70% after 2 years.

TS: What were some challenges with your former provider?

SV: We faced a lot of pushback from suppliers, as they had to pay in order to send invoices to DHL. This was a big hurdle, especially for smaller suppliers. The onboarding process was labor intensive for us and for the provider. Many of our suppliers were referred back to us to try to convert on our own. Our provider also had a limited presence in some countries in our scope.

All this led to us going back to the market to see whether that platform was still the best for DHL.

TS: What were you looking for when you chose Tradeshift?

SV: We were looking for a provider with a better supplier onboarding methodology and an open network that was interoperable with other players in the market.

We wanted it to be as easy as possible for suppliers to send invoices, and preferably also free for them. We wanted a truly global solution, as global coverage is very important for us. And we needed to reduce the load for our query-handling team, as most of the questions we get there are about the state of supplier invoices.

After Tradeshift

TS: Why did you choose Tradeshift?

SV: Tradeshift's platform is compliant in a significant number of countries and growing, and they support multiple languages. They have an open network and they're free for suppliers.

Tradeshift has a wide offering in terms of e-invoicing: they accept all industry standard formats, and they have a wide range of transfer protocols that can be used by suppliers to interface with their platform, which makes the technical burden as small as possible for suppliers to interact with us.

TS: What are some helpful tools that Tradeshift provides?

SV: Tradeshift provides an onboarding app, and we've defined a series of email campaigns within that app that will send multiple emails to suppliers with more guidance to take them to the next step. This has proven to work very

successfully so far; these campaigns run without much interaction from our team or the Tradeshift team, and suppliers are onboarding independently.

There's a Business Firewall on the platform which contains validation rules. If a supplier puts a different number that's not on the PO list, he'll be notified that his invoice cannot be processed without a valid PO.

CloudScan is a tool where suppliers can upload PDFs and paper invoices, which are converted into data and go through the validation rules. This ensures that those invoices bring only high-quality data into our system.

TS: What successes have you found?

SV: As of Q4 2016, we have onboarded 2,500 suppliers compared to the original scope of 1,500 suppliers. We are expecting to increase this number because local CFOs are strongly encouraging the adoption of Tradeshift.

Roughly 50% of the suppliers we've given Tradeshift have onboarded within eight months. There are hardly any questions from suppliers on how to onboard so it's a fairly simple exercise for them. Tradeshift has been able to main the activation rate among all invited suppliers, and quarter over quarter, we are seeing a doubling in the number of supplier activations.

In turn, we have boosted the number of received documents month over month by 10% and are currently processing 21,000 e-invoices per month. Between January 2015 and January 2016, we quadrupled the accumulated value of e-invoices, 5x year over year, thanks to Tradeshift.

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TS: How far along in implementation are you?

We started at the beginning of 2014 and now the Tradeshift platform is being used by 127 DHL branches in 30 countries. In the first phase, we rolled out the solution in the UK, the Nordics, Germany, Austria, France, Belgium, Luxembourg and the Netherlands. Some of these countries have converted up to 60% of their invoice volume within eight months.

Currently, we are rolling out further across Europe to include Italy, Switzerland and Portugal, as well as globally to select countries in APAC and the Americas. We expect the invoice volume going through the platform to increase by an additional 20-30%.

TS: What works really well in Tradeshift?

SV: Tradeshift has assigned a CSM (Customer Success Manager) to DHL to help make us as successful as possible. They're focused on DHL and we share goals with them, discuss any issues we have, and request any improvements we need. Tradeshift also "white-gloves" (manages and supports) onboarding our top vendors – the only thing we need to do is sit in stage meetings and provide input. Tradeshift manages getting our top vendors on the platform on our behalf, which is a huge improvement over our previous provider.

TS: How do your suppliers feel about Tradeshift?

SV: We see that for suppliers it's a really easy exercise to onboard: it's very straight-forward, and only takes a few clicks to connect from our invitation to their Tradeshift account. We get positive feedback regularly about how easy it is to connect to Tradeshift. For some suppliers, it's very new to submit invoices electronically, so they are positively surprised by how easy it is.

ABOUT TRADESHIFT

Founded in 2010, Tradeshift is the world's largest business commerce platform that connects buyers and sellers. Tradeshift connects over 1.5 million companies across 190 countries, processes over half a trillion USD in transaction value yearly, and has a marketplace containing 28 million SKUs. It offers solutions for procure to pay, supplier engagement and financial services, and enables companies and partners to build custom or commercial apps on its business commerce platform. Tradeshift is headquartered in San Francisco, with offices in Copenhagen, New York, London, Paris, Suzhou, Chongqing, Tokyo, Munich, Sydney, and Bucharest.