



eInvoicing Benefits:

- PDF invoices via email
- D-Hub Customer Portal
- Structured file upload. E.g. EDI or XML
- All options free of charge for suppliers
- Ensures maximum supplier on-boarding

Converga Digital-Hub eInvoicing White Paper

Report 3 of 3

This is third and final paper in a series of eInvoice whitepapers from Converga which focuses on eInvoicing in practice. This paper looks at reasons for implementing an eInvoice solution and highlights some key factors for a successful eInvoice implementation. This paper concludes with a Qantas Catering eInvoice case study. This Qantas Catering case study provides a clear example of the process benefits of the Converga eInvoice D-Hub solution.

eInvoicing in Practice

eInvoicing involves the removal of paper invoices from the whole end to end procurement process. This is achieved by Converga's eInvoice D-Hub solution which provides electronic alternatives to the historical paper invoice. These alternative eInvoice methods include emailed invoices in PDF format, the Converga D-Hub Portal and Electronic Data Interchange (EDI).

Why should your Company implement an eInvoice solution?

The methods chosen for removing the paper invoices are tailored to suit both the supplier and buyer and ensure the maximum supplier adoption of eInvoicing. Some smaller suppliers may prefer to send invoices via emailed PDF, while larger companies may be better suited for an EDI approach to eInvoicing. The benefits that flow from these eInvoicing methods go far beyond simply removing inefficient paper invoices. Benefits include instant invoice delivery, improved visibility and controls, greater data accuracy and an online digital invoice archive just to name a few. These benefits have been discussed in detail in Converga's 2nd white paper.

As was revealed in Converga's 1st white paper, the legalities around eInvoicing in the Asia-Pacific are clear. There are no restrictions to eInvoicing in the majority of Asian-Pacific countries, including Singapore, Hong Kong, Australia and New Zealand. In fact, countries such as China are now actively seeking to promote eInvoicing¹. Asian – Pacific companies have been slow to adopt eInvoicing, however with no

¹ E-Invoicing Platform, 'China issues guidelines to promote e-commerce and e-invoicing', (05/06/2012)



legal impediments and increasing government promotion this is likely to change in the near future. For this reason it is important that Asian – Pacific companies are proactive in their approach to eInvoicing.

What makes for a successful implementation?

eInvoicing implementations are often slightly different for each company, depending on factors such as size, industry and number of suppliers. However, Converga recommends keeping certain things in mind during the eInvoice implementation to facilitate an efficient eInvoice solution. Some of these are listed below.

- **Company Buy-In.** eInvoice implementation should be overseen by senior managers within the company who have executive support to assist implementing an eInvoice solution. This will ensure a smooth transition.
- **Integration with ERP's.** Converga has much experience in this area and can integrate efficiently with all financial systems and ERP's of any size.
- **Supplier On-Boarding.** This is essential to the success of the eInvoice solution. Communication with your suppliers is key. Converga D-Hub makes this process as simple as possible for your company. Converga takes the responsibility of contacting & converting each and every one of your suppliers to their preferred eInvoice method. Importantly the use of eInvoicing is free for all your suppliers. Also, the Converga D-Hub Portal provides a growing reservoir of suppliers which are already connected to the D-Hub Solution.
- **Realistic Expectations.** It is unlikely that all suppliers will immediately implement an eInvoice solution. So, Converga can support the use of OCR technology as an interim measure while all your suppliers are being on-boarded to the eInvoice solution.
- **Dynamic Discounting.** One important advantage of eInvoicing is that it opens up the possibility of taking advantage of dynamic discounting. This is a common practice in the United States. If your company would like to consider this option Converga can help your company communicate with suppliers to take full advantage of the savings possible with dynamic discounting.

These are just some things which Converga believe that Companies should consider while implementing their eInvoice solution. Please see the Qantas Catering Case Study at the back of this paper for an example of an eInvoice solution which Converga has recently implemented.



Who is Converga?

Converga is a wholly owned subsidiary of New Zealand Post. Converga currently has offices in Australia, Singapore, U.S.A., New Zealand and Manila. These offices operate with over 1000 staff. Converga specialises in, among other things, working with our clients to streamline their accounts payable departments and financial functions. This is achieved through the Converga D-Hub eInvoicing solution.

Converga is focused on expanding our expertise throughout the Asia – Pacific to help our clients focus on their core capabilities. As a business process outsourcer, Converga has had considerable success, with clients from many industries including, banking, retail, mining, education and transportation.



Facts at a glance:

- Converga D-Hub solution implementing for Q Catering
- 170,000 invoices per year from over 900 regular suppliers
- Suppliers pay no fees for submitting invoices through Converga D-Hub
- Easy on boarding - multiple options for suppliers to begin submitting invoices electronically
- Suppliers are not limited by their internal technical capabilities, their size, or their volumes
- Targeting 100% of suppliers during the first year to transition to electronic invoicing

Qantas Catering Case Study – Flying High with Converga D-Hub eInvoicing solution

In today's current economic climate, businesses such as Qantas Catering (Q Catering) are constantly looking for rigorous business improvement and cost control efforts so that premium products and services can be delivered at the best price to their customers.

The Business

Q Catering is one of the largest flight caterers in the Southern Hemisphere with annual revenues of \$450M. Q Catering operates five catering and food production centres across Australia. At these sites, Q Catering employs 2,700 full – time staff. Q Catering provides flight catering services to several other regional airlines outside of Qantas including Singapore Airlines, Thai Airways, Cathay Pacific and Philippine Airlines.

With over 900 regular suppliers, Q Catering Accounts Payables handles approximately 170,000 invoices per annum. Prior to appointing Converga, each invoice was either received as a paper hard copy through mail or as an email attachment.

The Challenge

To substantially reduce the costs associated with the handling of paper invoices. To introduce 3-way matching of the invoices against purchase orders and deliveries. To allow for the suppliers' own transition to electronic invoicing.

The Solution

Converga's D-Hub solution will provide Q Catering suppliers with multiple, easy-to-use, options for submitting their invoices electronically. Each supplier was contacted by Converga's dedicated Enablement team and presented with the various options to transition to electronic invoicing. Suppliers with EDI (Electronic Data Interchange) capabilities are now able to send their invoices directly through the Converga D-Hub e-Gateway. Suppliers who prefer to send their invoices via email as a PDF attachment can have their invoices converted automatically to an electronic invoice through Converga's D-Hub. The Converga D-Hub Customer Portal also provides suppliers the ability to generate their invoice directly to Q Catering.

Q Catering is an environmentally-conscious company who wants to make a difference. eInvoicing will further reduce paper from our process and provide a more cost effective solution for our business. It will also drive improved matching and processing accuracy.

Simon Vierke
Financial Controller

For each invoice submitted through Converga D-Hub, all the invoice data, including header and line item details are now provided to Q Catering's Accounts Payables system for automatic 3-way matching within seconds of receipt.

For those suppliers who preferred to continue submitting paper invoices, these invoices are processed centrally through Converga's state-of-the-art Technology Centres.

The Outcome

By implementing Converga's D-Hub solution, Q Catering is targeting 100% of their suppliers' invoices to be received as an electronic invoice. By automating the 3-way matching, process cycle times have improved dramatically for Q Catering Accounts Payable. Transitioning to electronic invoices means less paper and supports Q Catering's commitment to reducing their environmental impact.



1300 557 672
www.converga.com.au

| | | | |
|------------------|-----------------|---------------------|------------------|
| Sydney | Brisbane | Auckland | Singapore |
| Perth | Canberra | Wellington | Manila |
| Melbourne | Adelaide | Christchurch | Chicago |