

GSK works towards 90% of invoices processed electronically with OB10

Introduction

GlaxoSmithKline plc (GSK) is a Global pharmaceutical, biological, and healthcare company with headquarters in the UK. It is one of the world's largest pharmaceutical companies and is committed to improving the quality of human life by enabling people to do more, feel better and live longer. GSK also has a research-based division with a wide portfolio of pharmaceutical products. The company produces medicines that treat major areas of disease such as asthma, virus control, infections, mental health, diabetes and digestive conditions. It also has a Consumer Healthcare operations including leading oral healthcare products, nutritional drinks, and over the counter medicines including Lucozade, Sensodyne, Panadol and many others.

The Challenge

GSK needed to streamline the amount of paper invoices they received. Thousands of invoices were being sent to a number of different addresses at GSK and a considerable amount of time was being spent re-directing, opening and scanning paper invoices. These then needed to be re-keyed, leading to further delays and possible errors.

GSK has a large valuable supplier base, and it is therefore necessary that invoices can be processed and paid on time. This manual process was not only expensive to manage, but resulted in processing delays.

In addition to streamlining the invoice process, GSK wanted to reduce the amount of paper they received and are required to achieve for tax audit purposes. This elimination of paper was not only essential for cost reduction, but also



Supplier enrolment is key to a successful e-Invoicing project. Working closely together, OB10, finance and procurement set targets for the suppliers GSK wanted to approach.

The initial take up was impressive, with 85% of the targeted invoice volumes being received electronically.

Due to this success, the other benefits of e-Invoicing soon started to be recognised.



of paper was not only essential for cost reduction, but also to comply with environment targets.

The Solution

After analyzing its internal procedures and determining the strategic direction with regard to invoice management, GSK chose to implement e-Invoicing in order to address their key challenges. GSK researched a number of different providers in the market, seeking an organization that could provide a tax compliant solution and guarantee high levels of supplier participation. GSK selected OB10 as it offered the best service and network coverage. OB10 provides best practice Programme Management and Supplier enrolment, managing not only the technical implementation for both the buyer and their suppliers, but also the supplier enrolment process – ensuring that suppliers participate. Once enrolled on the network customers are supported in their local language by OB10's multi-national team.

Benefits

Supplier enrolment is key to a successful e-Invoicing project. Working closely together, OB10, finance and procurement set targets for the suppliers GSK wanted to approach. OB10 first identified those suppliers that were already present on the OB10 network and could be switched on to send invoices to GSK straight away. The supplier enrolment campaign for the remainder of suppliers could then commence. OB10 managed the whole process, first helping GSK to develop the communications pack and send it to their targeted suppliers. OB10's multinational supplier enrolment team then contacted the suppliers and enrolled them on to the network. In addition, OB10 also worked with GSK to ensure all internal stakeholders were communicated to and understood the importance of e-Invoicing to the business. The initial take up was impressive, with 85% of the targeted invoice volumes being received electronically. Due to this success, the other benefits of e-Invoicing soon started to be recognised.

GSK researched a number of different providers in the market, seeking an organisation that could provide a tax compliant solution and guarantee high levels of supplier participation.

GSK selected OB10 as it offered the best service and network coverage.



The improvement in the accuracy of data was the initial benefit seen throughout the department. As the OB10 network validates an invoice before passing to GSK, any invoices that are not correct are rejected to the supplier for them to correct and resubmit. Once verified and submitted to GSK, the supplier receives a notification that the invoice has been delivered.

This improvement in data accuracy and also due to the delivery notifications, boosted the efficiency of the GSK AP team. Previously 70% of calls coming into the AP team were to ask if GSK had received the invoice and to check when the invoice will be paid. With improved delivery, the time spent dealing with these calls has dramatically reduced; the team can now focus on the processing of invoices and adding value to the organisation.

Suppliers also started to notice the benefits of the OB10 network. Invoices are now being processed more quickly, which means suppliers are able to be paid on time. In fact, 95% of invoices delivered electronically via OB10 are now paid on time.

The Future

GSK's initial contract, which commenced in 2003, resulted in 65% of their total invoices being processed electronically through the OB10 network. Due to the great success of this first campaign, a second campaign was launched in 2009. Now, with so much confidence in OB10, GSK plans to convert 90% of their total invoices to electronic by the end of 2010.

GSK is focused on removing paper from their process. New contracts with suppliers specify that invoices must be sent electronically and reminders are also displayed on Purchase Orders and Remittance Advice matters.

In addition, GSK is looking to expand the services it receives from OB10 and offer these to its suppliers via the

Previously 70% of calls coming into the AP team were to ask if GSK had received the invoice and to check when the invoice will be paid. With improved delivery, the time spent dealing with these calls has dramatically reduced.

Invoices are now being processed more quickly, which means suppliers are able to be paid on time. In fact, 95% of invoices delivered electronically via OB10 are now paid on time.



OB10 Portal. Extended Invoice Status Check will enable suppliers to check where their invoice is in the payment process. Purchase Order Delivery will enable suppliers to receive their purchase orders via OB10 and with the use of PO Flip, convert those orders directly into an invoice. With improved invoice processing and the combination of these enhanced services, further efficiency gains will be achieved and an even greater benefit offered to GSK's suppliers.

About OB10

OB10 simplifies and streamlines the complex invoice-to-pay process. Neither client organisations nor their suppliers are required to implement any hardware or software, and OB10 is independent of the data file formats.

Operational across Europe, North America and Asia, OB10 is compliant with the requirements of VAT, tax and e-Invoicing legislation and exchanges invoices between thousands of customers in over 130 countries.

To ensure unrivalled and rapid supplier enrolment, each new customer's suppliers are supported by an implementation services team responsible for getting them up and running on the OB10 network.

Customers include:

Agilent Technologies, Aviva, Barclays, BP, Cargill, DHL, DSG International, IBM, SaraLee, Kellogg's, Fisher Scientific, General Motors, GlaxoSmithKline, Hertz, Hewlett Packard, Logica, Deutsche Lufthansa, Mohawk Industries, Pfizer, Shaw Industries, Tesco and Xerox.

+44(0)870 626 5214
info@ob10.com
www.ob10.com

