

Imperial College London reduced invoice processing costs by 40%

Introduction

Ranked by *The Times* Higher Education Supplement as 5th in the World University Rankings, Imperial College is a leading university for education and research in science, engineering and medicine, with particular regard to applications in industry, commerce and healthcare. Through interdisciplinary collaboration internally and externally, Imperial College brings together expertise to aid scientific advancement on a global scale.

Innovation and progression are at the heart of Imperial College's culture. As such, it is constantly looking for ways to improve processes and productivity, which includes the University's Accounts Payable workflow.

The challenge

An internal review of Accounts Payable in 2005 highlighted inefficiencies and superfluous processes which could be improved to increase productivity and reduce costs.

The University's accounts payable system was entirely manual, processing 170,000 paper invoices each year. The finance team was required to key in, photocopy and re-post the invoices to administrators. As well as wasting paper, the procedure was expensive at approximately £2.50 transaction cost per invoice processed. The challenge for Imperial College was to find a way of automating the accounts payable process, which would reduce costs, speed up the payment process and remove the volumes of paper.

"With OB10 we were able to achieve a 40% reduction in invoice processing costs. Furthermore we benefited from the single approach of the network for the receipt of invoices by integrating with OB10 and leveraging existing systems."

*John Whitlow
Head of Purchasing*

Imperial College

**Imperial College
London**



The solution

Imperial College reviewed various options and decided to switch to e-Invoicing to reach the set targets for improving the accounts payable process. Automation would provide a high level of matching, and streamline the internal authorisation process. Once this decision was made, Imperial College selected OB10, the global e-Invoicing network, as its solution partner to make the transition.

John Whitlow, Head of Purchasing, Imperial College, said:

“We chose to work with OB10 because they really seemed to understand what we were trying to achieve. They’re an established company with an impressive track record of delivery; providing a solution that enables all of our suppliers, large and small, to send electronic invoices. OB10 even looks after the Supplier Enrolment. We were especially impressed with the matching of invoices. Invoice data can now be automatically matched with purchase order line detail and the data is submitted directly into our accounting system. This eliminates all human input from the process and was the single biggest benefit for us.”

Benefits

By implementing electronic invoicing, OB10 enabled Imperial College to switch 82% (140,000) of its invoices from being processed and stored manually to the new electronic platform. At the same time Suppliers are notified via email whether their invoices have been successfully submitted or not. OB10 also contributed to improve the authorisation process, which has reduced unnecessary administrative procedures. Moving to e-Invoicing has helped Imperial College to reduce its transactional costs to below £1.50 from the original £2.50.

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The future

To further streamline the accounts payable process, Imperial College plan additional releases targeting invoices from their small volume Suppliers. With the Web Form solution, allowing them to submit their invoices online, OB10 enables Imperial College to target even the smallest Supplier. Finally, this will help the Institute to be more environmentally friendly by reducing the amount of paper and associated storage.

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, Fisher Scientific, General Motors, GlaxoSmithKline, Hertz, Hewlett Packard, IBM, Kellogg's, Logica, Deutsche Lufthansa, Mohawk Industries, Pfizer, SaraLee, Shaw Industries, Tesco and Xerox.*

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