



Electronic invoice delivery at Fisher Scientific

“Moving from paper to electronic invoices was an obvious route for us to go in reducing our accounts payable processing costs. We knew that if we could get our suppliers to submit their invoices directly into our accounts system we could side-step the tedium and expense that comes with handling paper.”

Paul Owen
Fisher Scientific



Introduction

Fisher Scientific is the UK's leading supplier of laboratory products and the only major UK based manufacturer of inorganic chemicals, analytical reagents and solvents.

The company employs almost 500 people and distributes over 80,000 products (both branded and own-label) via 3000 international suppliers to over 40,000 end-user laboratory customers.

The company has a long history of innovation often implementing new technologies and processes in its ongoing mission to achieve greater efficiencies in its business. For example Fisher was one of the first organisations to provide its catalogue online. The company's early adoption of the OB10 e-invoicing service is another such example.

Increasing efficiency

As part of its continuing drive to both innovate and improve efficiency, Fisher is always on the look out for areas where new technologies and processes could benefit the company.

“We analysed many aspects of the business and found the accounts payable department to be a prime candidate for increased automation and the application of new technologies,” says Paul Owen, Fisher Scientific's Service Development Manager. “Receiving and processing a paper based invoice is an inherently inefficient process,” says Owen. “The process is dogged by laborious manual tasks such as data entry and filing.

Electronic invoice delivery at Fisher Scientific

“The initial reaction from our community of suppliers has been overwhelmingly positive. The process has been relatively painless as it has been easy to educate our suppliers that OB10 represents a new, more efficient way of delivering invoices which will ultimately save them time and money with only a minimal investment.”

Paul Owen

Fisher Scientific

Our staff must physically open incoming paper invoices, check the information and input the data into our accounting system." In addition, UK tax law requires that every company must keep copies of incoming invoices for six years. Storage of these documents, either in physical form or on microfiche, is costly and retrieval can be an inefficient and time-consuming process.

Fisher's internal research concluded that the handling and processing costs associated with the 85,000 paper invoices it receives annually could be dramatically reduced if those invoices were received electronically.

The OB10 Solution

"However whilst the idea of moving from paper to electronic invoicing was compelling we knew there were a number of practical issues that needed to be resolved. For instance, we didn't want to insist on a specific electronic invoice format for our suppliers to adhere to. We knew that asking all of them to create a special output for our benefit wouldn't encourage them to join our e-invoicing initiative. Beyond that we were aware that establishing direct, one to one, electronic links for the exchange of invoice data would need the sign off by Customs and Excise - who would have to approve each and every link. Also we weren't sure how the legal requirement to store invoices for six years would be affected if we moved into the electronic realm. We elected to use the OB10 service because it answered all these questions for us."

Supplier Adoption

Clearly, getting a critical mass of Fisher's suppliers attached to the OB10 network was crucial to the success of the company's e-Invoicing initiative. This is why, at a technical level OB10 has been designed to offer no barriers to adoption. OB10 has been designed as a non-intrusive solution to ease supplier participation and does not require the installation of any software or hardware. (Because the service can map any invoice format provided by a supplier into a buyer's preferred invoice format, suppliers are not burdened with the task of changing their invoice output).

"We were confident that our suppliers would see the benefit of the service as it reduces their own costs, guarantees invoice delivery, removes the inevitable errors that occur during re-keying the paper process, which in turn reduces disputes and exceptions and increases our ability to pay them promptly," says Owen. To this end Fisher worked closely with OB10 on a supplier enrolment programme based around a series of one to one meetings and seminars for larger suppliers and a simple letter distributed to smaller suppliers.

After just 6 months Fisher was dealing with large volumes of invoices using OB10 and Owen predicts that in another 6 months the majority of its invoices will be flowing through OB10.

Case Study title appears here

About OB10

OB10's (www.ob10.com) standard-setting global B2B e-Invoicing solution simplifies and streamlines the complex invoice-to pay processes between companies and their suppliers, while reducing the cost to manually process invoices by as much as 60 percent, and delivering ROI in less than six months. Operational in Europe, North America and Asia, web-based OB10 is compliant with each region's regulatory requirements, such as Sarbanes-Oxley and VAT. To ensure unrivaled supplier adoption, 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: Hewlett-Packard, GlaxoSmith-Kline, Agilent Technologies, General Motors, Crown Holdings, BAT, Cargill, Mohawk Industries, TUI, Readers Digest, Eaton, Medas (BBC), Fisher Scientific, and Xansa (BT).

Tax issues

OB10 has also been scrutinised by the UK Tax Authorities to ensure that users of its paperless invoice delivery service continue to meet UK tax standards. Significantly, this means that companies using OB10 are no longer required to process and retain paper invoices to satisfy HMCE's (Her Majesty's Customs and Excise) requirements, thus saving both time and money. In addition, the OB10 central data warehouse will enable audits of the supplier and buyer tax accounting records to be carried out remotely, subject to the approval of the parties.

The results

Since using OB10, accounts payable costs have decreased, staff have been redeployed within the company and the speed of processing invoices and resolving disputes has improved significantly. Fisher predicts that the implementation of OB10 could save as much as 80% of the cost of receiving, processing and storing an invoice in the long term.

The future

"We have been delighted with the immediate benefits of joining the network," says Owen. In fact, encouraged by the reaction of its own supplier base Fisher is now actively promoting the system to its own customers.

.. "We send out 500,000 invoices a year," says Owen. "By offering to send those invoices electronically we are proactively predicting what our customers want. And because OB10 handles all the translation between systems we can assure our customers that they will receive those invoices in the format they want."

"From our own experience with our suppliers we've seen how *sending* invoices electronically also delivers cost and efficiency benefits. We see submitting invoices via OB10 as another way to make sure that our customers remain happy with us."