



The Global e-Invoicing Network

Logica receives 68 per cent of release invoice volumes

Introduction

Logica has always focused on running a best-in class finance function to provide a cost effective service that understands the needs of its business. At the end of 2002, it created a UK-based shared services centre and identified an opportunity to improve supplier invoice processing. Essentially, Logica had a paper based system with multiple points in the UK to which some 2,000 active suppliers sent 5,000 invoices per month. It was felt too much time was spent chasing authorisations across the business.

The Introduction of total Invoice Management

In 2004 Logica approached OB10, the global e-Invoicing network, with a view to automating invoice management and processing, starting with the delivery of invoices electronically into their Agresso accounting system. The OB10 solution, which enables suppliers to send invoice data directly from their billing system to the Logica system, was identified as a clear fit. By combining OB10 with its in-house procurement and workflow system, Logica developed and implemented 'total invoice management', an end-to-end, procure-to-pay solution for processing invoices electronically.

In order to ensure that all invoices received into the UK finance team were electronic from day one, Logica combined OB10 with a scanning solution at its document handling centre.

As the OB10 supplier recruitment programme matures, the number of invoices scanned will decrease over time. "The combination of OB10 and scanning, means that 100 per cent of invoices received into UK finance are electronic, enabling us to maximise accounts payable automation, reduce

"We selected OB10 because it is a tried, proven and scalable service which is fully VAT compliant in Europe. Importantly OB10 works with any billing or accounting system. This means that we did not have to make changes to our accounts payable system and the barrier for entry for our suppliers is low."

Matthew Knight
Group Finance Director,
Logica UK





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time spent chasing authorisations from the business and optimise VAT efficiency,” Knight added.

Goals for supplier recruitment

In conjunction with putting processes in place for total invoice management, Logica worked closely with OB10 to enrol its suppliers on to the network. “This process was made easy,” says Knight, “by the fact that once communication has gone out to suppliers, OB10 takes responsibility for managing the subscription process.”

Already, more than 50 per cent of released suppliers have joined the OB10 network. This means that nearly 70 per cent of released invoice volumes are being received electronically, via OB10. Following the success of the initial supplier enrolment campaign and a relocation of the finance processing function to Bangalore, Logica has now turned its attention to enrolling the remaining smaller low volume suppliers on the network. This is made possible by OB10’s Web Form service, which enables these kinds of suppliers to participate in electronic invoicing at minimal or no cost.

Benefits of using OB10 and total invoice Management

The first invoice handled by total invoice management was delivered by OB10 and took just 55 minutes to process. This was a major improvement on the paper invoicing process which averaged at a few days once the invoice had been received via the post.

The initial cost/benefit analysis suggested that Logica would easily recover its investment, but the initial expected savings have been exceeded, says Matthew Knight.

Future

Having created a more streamlined finance operation, Logica has since been able to reduce costs further, by relocating its transaction processing centre offshore to Bangalore. The total invoice

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management solution incorporating OB10 was essential to this transition. The former reliance on manual processing of paper invoices would not have made this possible. OB10 which works across-borders has enabled Logica to create a transferable and flexible solution to the invoicing challenge.

Following the successful integration of total invoice management and the roll out of OB10 to Logica's UK-based suppliers, other Logica European finance units are now considering the merits of a similar approach, with the French finance team already using OB10 as a supplier to invoice some of its customer base.

About Logica

Logica is a major international force in IT and business services. It employs around 40,000 people across 41 countries. Logica's focus is on enabling its customers to build and maintain leadership positions using Logica's deep industry knowledge and its track record for successful delivery. The company provides business consulting, systems integration and IT and business process outsourcing across diverse markets including telecoms and media, financial services, energy and utilities, industry, distribution and transport and the public sector. Headquartered in Europe, Logica is listed on both the London Stock Exchange and Euronext (Amsterdam) (LSE:LOG; Euronext:LOG) and traded on the Xternal List of the Nordic Exchange in Stockholm. More information is available at www.logica.com.

OB10, the leading global e-Invoicing network simplifies and streamlines the complex invoice process. Neither client organisations nor their suppliers are required to implement any hardware or software, and OB10 is independent of data file formats. OB10 can reduce the cost of paper invoice processing by typically 60 percent and can deliver an ROI in less than a year. Operational across Europe, North America and Asia, OB10 is compliant with the requirements of VAT, tax and e-Invoicing legislation and receives invoices from suppliers in over 100 countries.

Customers include: *Agilent Technologies, Barclays, Cargill, DHL, DSG International, Eli Lilly & Company, Fisher Scientific, General Motors, GlaxoSmithKline, Hewlett Packard, IBM, Imperial College, Kellogg's, Logica, Norwich Union, SaraLee, and Steria.*