



The Global e-Invoicing Network

RS components streamline their invoice delivery

Introduction

RS Components UK is part of the Electrocomponents Group which is listed on the London Stock Exchange in the Support Services sector. Electrocomponents has 27 operating companies - 2 in the UK, 11 in the rest of Europe and 14 in the rest of the world, including Japan and the USA.

Through the RS Components and Allied (USA) subsidiaries they distribute over 300,000 products to over 1,500,000 technical and industrial professionals throughout the world.

Innovation in e-commerce

RS Components is known the world over as an innovator in the field of e-commerce. The company was one of the first to successfully embrace the web as a sales channel and to integrate its enormous catalogue with leading e-procurement technologies.

"We've always sought to use new technology to make it more cost effective for our customers to trade with us," says Paul Parker, General Manager e-commerce at RS. "In our line of business streamlining the end to end order process is particularly relevant. Our average order value is £80. For many of our customers the cost of administering that purchase can be more than the value of the items ordered. We therefore make every effort to bring that cost down as part of our service offer."

"To this end we've created a paperless purchase to pay process, embracing all the major e-procurement technologies, going so far as to create our own free e-procurement tool 'PurchasingManagerTM' for RS customers," says Parker. "Our ordering and procurement control software has removed the hassle from this part of the process, and our goal is to address the whole acquisition process".

Trying to create an electronic invoicing solution for all our customers would have been prohibitively expensive and complex for us," says Parker.

"With OB10 however it just happens. There are no integration issues, all the mapping between our systems and our customers' is done for us, and not just in the UK. In summary, OB10 takes all the headaches of electronic invoicing away."

Paul Parker
General Manager, e-Commerce
RS Components



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The electronic Invoicing problem

"The one problem that we couldn't solve was how to invoice electronically," says Parker. "The obstacles we encountered were manifold. Firstly, each customer had a different system that required a bespoke integration each time. This was manageable when working with a few a customers but not scalable in the long run, especially as we saw the demand for e-Invoicing increase. When you consider the size of our customer base it would be impossible for us to send invoices in the individual formats required by our customers' systems". Secondly RS were concerned with VAT issues. VAT invoices exhibit many legal characteristics and wishing to send them electronically could have involved complex discussions with HM Customs and Excise. "This meant that for every customer we wanted to send e-invoices to we would have had not only to satisfy the attendant legal requirements but also acquire the blessing of the authorities for each and every customer relationship – and that was just in the UK. The same problem is replicated throughout Europe.

RS Components and OB10

"We were introduced to OB10 via one of our own customers (Computacenter) who were proactively asking us to send them electronic invoices over the network," recalls Parker. "What was interesting about the request was that we weren't being asked to send the invoices in a particular format – but could send our invoices as they came out of our accounting systems. Clearly, given our own ambitions in this area we were interested in what OB10 could do for us and the rest of *our* customer base."

What RS found was a solution that addressed their two main concerns – those relating to multiple invoice formats and VAT issues. The fact that joining the OB10 network is non-intrusive, without the need for either RS or its customers to install any hardware or software was a major attraction.

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Paul Parker
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OB10 fits into a bigger picture of e-commerce for RS. "OB10 is much more than a point to point solution to us. It has enabled RS to deliver our vision of a complete electronic process – the final piece of the jigsaw if you like," says Parker. "Electronic invoicing means that we can further drive down the cost of purchasing for our customers – a crucial competitive differentiator in our market where the number of orders are high, but the average invoice value is quite small".

The Future

"For us and our customers, being on OB10 reduces the cost of trading and, refreshingly, involves neither party in technical integration projects – a marked contrast to our experiences with earlier e-procurement initiatives," says Parker. "Electronic invoicing seemed like it was going to be the most difficult problem to solve. With OB10 it's actually surprisingly simple for all concerned. In fact we have now commenced discussions with suppliers to look at receiving invoices from them via the OB10 network." says Parker.

About OB10

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.