PayStream ADVISORS

2017 Global AP Automation Report

An Introduction to Electronic Invoicing on a Global Scale

Q3 2017 | Featuring insights on...

» Current Trends in Electronic Invoicing Around the World

» Global Invoicing Compliance

» Global AP Adoption Initiatives

» Global AP Automation Software

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Contents

Introduction

Expanding operations to other countries is a strategic and competitive move for large organizations. However, with this decision comes the daunting task of deciphering the extensive and diverse requirements for operating in different countries, and the risk of noncompliance. Many countries today strictly regulate financial processes, particularly in the area of B2B invoicing and payments. Legal and tax regulations can vary dramatically across national borders—or even between member states of larger regions, such as countries in the relatively standardized European Union. In many regions, including much of Latin America (LATAM), and some of Europe and Asia Pacific (APAC), organizations are required to send invoices in electronic formats according to precise specifications and including very specific data. In countries where an electronic format is not yet required by law, invoices must often still adhere to specific rules concerning content and approvals.

Failure to comply with local regulations and tax laws can cost organizations millions of dollars in fines. However, there is often great confusion regarding what constitutes invoicing compliance in different areas, even among companies that have been operating globally for many years. Many large multinationals store excessive amounts of paper to show evidence of compliance, and either outsource or build large internal teams to manage shifting requirements in each region.

PayStream believes that many multinational organizations overcomplicate the process of global AP compliance, and are overworking their AP teams in efforts to keep up. To successfully manage AP operations across borders, a finance team must have full knowledge of local invoicing regulations as they stand and when they change. The teams must also have a platform that facilitates the streamlined transfer of electronic invoices according to these regulations. Successful global electronic invoicing can be achieved through a partnership with an experienced eInvoicing provider that offers extensive services and knowledge of compliance in many regions.

This report serves as an introduction to international invoicing for large multinationals that may be struggling to keep up with complex global regulations. It offers an overview of global eInvoicing trends, an introduction to regulations in different regions, and an outline of how global eInvoicing providers help clients manage compliance. It also provides some best practices for building a global AP operation.

The Push for Global Automation

Among countries across the world, there is a wide range of electronic invoicing use and corresponding regulations. In some regions, like much of LATAM, it is legally required for businesses to send invoices to other businesses electronically. In other countries, such as in Russia, electronic invoicing itself is not legally required, but B2B invoices still must be processed according to strict regulations.

eInvoicing adoption rates vary around the world due to a variety of factors, including economic stability and countries' overall business environment. However, in most countries with high electronic invoice and AP automation adoption, the initial driver was government involvement. eInvoicing adoption and the degree of governmental regulation typically occur at higher rates in countries that have Value Added Tax-based systems.

A Value Added Tax, or VAT, is a consumption tax placed on items at different stages of its production and sale. Because a product is taxed many times throughout its lifespan, the relevant tax information can be strewn across several different invoices and receipts, and complying with VAT requirements can be a lengthy and complex process. VAT also tends to cost the payee more upon initial payment, although they do receive refunds after filing reports. This creates an opportunity for companies and consumers to commit tax fraud, either intentionally or unintentionally, by failing to or incorrectly submitting the proper documentation.

Countries with VAT systems typically have higher rates of fraud and tax evasion. VAT fraud is even more prevalent in under-developed countries such as those in Latin America, as these governments have less infrastructure and resources to monitor taxation. In Latin America, federal reporting laws were frequently broken and ignored as many companies would incorrectly report their financial activity—or omit reporting altogether. In order to reduce fraud and improve revenue retention, much of the region created mandates that invoices must be sent in electronic format through federal tax authorities' electronic systems. This helped place LATAM among the world's leading regions in both regulating invoicing processes and electronic invoicing adoption.

After mandating electronic invoicing, the next major driver for high adoption is the increased efficiency that companies gain from automating part of their back-office processes. Companies that gain improved visibility into spend and lower processing costs from electronic invoicing will often decide to increase efficiency by using complete AP management systems and other Procure-to-Pay (P2P) solutions. Reports of the benefits of eInvoicing and other financial solutions spread from business to business organically, helping to increase adoption rates. This word-of-mouth effect is a contributer to AP automation adoption in regions where laws are limited, such as the United States.

Another driver of eInvoicing adoption is AP software's ability to create a real-time economy, bringing benefits to a country as a whole. A real-time economy is defined as an environment where transactions are automatically generated in digital format and completed in real time between parties[1]. From an AP perspective, this results in electronic invoices and payments moving from one system to another immediately. Fully integrated eInvoicing and payment network adoption can have global economic implications, such as an effect on supply chain and interest rates. In all, regulations promote adoption, but the competitive environment and changing business expectations around digital B2B efficiency are also driving adoption in many countries.

As governments try to increase eInvoicing adoption in their countries, some are working to build initiatives and offer tools that appeal to SMEs, including many governments in the EU and in APAC. For example, in an effort to make the eInvoicing process easier for SMEs, Asia Business Software Solutions and Mint Payments collaborated to create a new solution called Click-to-Pay[2]. The solution allows businesses in Singapore to pay for goods and services directly from eInvoices. This effort illustrates how governments hope to increase automation adoption by appealing to companies' efficiency needs, rather than simply by implementing mandates.

Compared to other developed countries, the United States has one of the lowest rates of electronic invoicing adoption. This is mostly because the US does not use a VAT system, and invoicing is not mandated or highly regulated. eInvoicing adoption is also low in Canada, even though the country uses a goods and services tax (GST), which is similar

[1] Soe, Ralf-Martin. 2015. "Real-Time Economy Applications." ICT Demo Center. http://www.ictweek.eu/wpcontent/uploads/2015/05/Norway_Estonia_cooperation_seminar_Soe.pdf

[2] Lin, Kareyst. "ABSS Click to Pay to simplify invoice processing for SMEs in Singapore." CIO-Asia. August 30, 2016. Accessed July 07, 2017. https://www.cio-asia.com/resource/applications/abss-click-to-pay-to-simplify-invoice-processing-for-smes-in-singapore/.

to the VAT system. However, in the US in particular, AP adoption is an increasing priority among businesses. This is partly attributed the US's economic stability, in which profitable companies see the competitive advantage of improving B2B process efficiency.

In the US, interest in and adoption of B2B process automation is most popular among large enterprises and the middle market, but SMEs are becoming more willing to adopt automation as affordable options enter the software space. Government action is also playing a part in increasing adoption; the US is requiring public sector agencies to switch to electronic invoicing by the end of 2018. While the government is not yet mandating electronic invoicing in the private sector, invoicing tools' ability to improve compliance with tax and financial reporting requirements is increasing adoption among private sector organizations.

Many of the world's leading multinational organizations are based in the US, and more US businesses are expanding their operations internationally each year. For this reason, it is important that US businesses are well educated on the eInvoicing environments—in terms of both adoption and regulation—of the regions in which they wish to operate. Without proper knowledge of the global climate around B2B invoicing, US organizations not only lower their chances of succeeding internationally, but they also greatly increase their risk of noncompliance with invoicing and financial regulations. Failing to meet local requirements can cost organizations millions of dollars in fines and legal fees.

The following items outline the current state of different global regions when it comes to B2B invoice regulations and software adoption. They also indicate the level of regulation an organization can expect in prominent countries within the regions. These regulations are differentiated according to the level of severity, as follows:

» *High* – Electronic B2B invoicing is usually mandatory and highly regulated, or vice versa

» *Moderate* – Electronic B2B invoicing is regulated but not always mandatory, or vice versa

» *Low* – B2B invoicing is mostly paper-based, and electronic B2B invoicing has few regulations if it is permitted at all

The following provides an introduction to global eInvoicing engagement for businesses interested in expanding their operations globally. However, it does not contain a comprehensive set of instructions or required actions for operating or using electronic invoicing in each country. PayStream strongly recommends that organizations access the services of global AP experts who understand the environments, circumstances, and requirements of each country before entering foreign markets.

Latin America

With the exception of a few countries, the Latin American market is the world's leading region when it comes to eInvoicing adoption—and the one with the most regulations surrounding electronic invoicing use. Chile was the first country in the region to implement electronic invoicing regulations; today, the LATAM leaders in adoption are Brazil, Chile, Peru, and Mexico. All four countries have mandated the use of electronic formats for B2B invoices.

In Brazil, eInvoicing is mandatory for all businesses, which has helped to establish the country as a leader in electronic invoicing not just in Latin America, but across the globe. Peru has also moved to make electronic invoicing mandatory, rolling initiatives out slowly across different business segments and enforcing full compliance for all businesses by the end of 2017. The Mexican government's eInvoicing mandates are some of the most extensive in the region, and involve the use of third-party providers called PACs that assist with invoice certification.

Some LATAM countries have rolled out eInvoicing mandates in stages in order to gain more consistent adoption, often using staggered deadlines based on businesses' characteristics. For example, Uruguay's mandatory eInvoicing has been rolled out by company revenue, first requiring compliance from businesses earning more than $3.1MM in revenue, and then from companies with revenues above $1.5MM.

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Below are some of the most important B2B requirements for operating in some LATAM countries:

Country	Regulations	Top Requirements and Charecteristics
Brazil	High	» Tax authority: SEFAZ (Secretaria da Fazenda Estadual) » Electronic invoicing is mandated » Companies must use different electronic documents based on the purchase type: the NF-e (Nota Fiscal) for goods invoices, the NFE-s for services invoices, and the CTe and/or MDF-e for logistics invoices » Companies must link a transportation-of-goods document to the NFe, called the DANFe (Documento Auxiliar da Nota Fiscal Eletrônica) » Digital signatures are required » Standard format: XML
Mexico	High	» Tax authority: SAT (Servicio de Administración Tributaria) » Electronic invoicing is mandated » Companies must use an electronic CFDI (Comprobante Fiscal Digital por Internet) » CFDIs must have digital stamps (certificado de sello digital) to verify the origin and authenticity » CFDIs must have a fiscal stamp (Timbre Fiscal), which includes the assignment of a folio and a digital signature provided through government-approved certification providers called PACs (Proveedores Autorizados de Certificación) » CFDIs must be linked to electronic accounting reports (eContabilidad) » 5-year archival » Standard format: XML

Peru	High	» Tax authority: SUNAT (Superintendencia Nacional de Administración Tributaria)
		» Electronic invoicing is mostly mandated
		» eInvoices must be connected to and validated in the SUNAT system
		» eInvoices must receive a digital certificate (Certificado Digital) and a CDR receipt (Constancia de Recepción) from SUNAT
		» Goods in transport must have a special document that tells where the goods are going
		» Standard format: XML
		» 5-year archival
Uruguay	High	» Tax authority: DGI (Dirección General Impositiva)
		» Electronic invoicing is mostly mandated
		» Companies must use a CFE (Comprobante Fiscales Electrónico), an electronic tax receipt; an e-Ticket (Ticket Electrónico); a digital certificate that validated the e-ticket
		» Standard format: XML
		» 10-year archival
Chile	High	» Tax authority: SII (Servicio de Impuestos Internos)
		» Electronic invoicing is mandated
		» Businesses must put together a collection of documents called the DTE (Documentos Tributarios Electrónicos), all of which must be linked to their electronic accounting system
		» Standard format: XML

APAC

Electronic invoicing adoption is at low to modest levels across countries in Asia. In efforts to curb tax evasion, some countries have moved to forbid the use of eInvoicing altogether, and in countries where it is allowed, other rules are in place that make electronic invoicing very difficult to use in compliance with the law.

Asia's leaders in eInvoicing adoption are Singapore, Taiwan, South Korea, Indonesia, and Vietnam largely due to successful government mandates. These governments have taken varied approaches when implementing mandates; for example, Singapore legalized eInvoicing in 2003 and introduced a government mandate for Business-

to-Government (B2G) invoices in 2008. South Korea's mandate, initiated in 2010, has different rules for corporate taxpayers and sole proprietorships, while Taiwan's state-run eInvoicing program, launched in 2000, requires both senders and recipients of invoices to register with the Taiwanese tax authority. Hong Kong's government has tried to steer businesses towards einvoicing by increasing the cost of submitting invoices via paper, while decreasing the cost of submitting invoices electronically.

India, China, and Japan are among Asia's countries with the lowest rates of eInvoicing adoption. India struggles due to a variety of reasons, including the complicated taxation structure and confusing legislation that make eInvoicing appear more difficult to implement than it is worth. In an attempt to increase usage, the country has recently passed laws requiring digital signatures, which is a step in the right direction, but widespread eInvoice adoption is still a distant goal. eInvoicing use in Japan is low mostly because it is not mandated, although it is legal.

Australia has low rates of eInvoicing adoption, as it is not mandatory. However, the Australian government is a great proponent of the use and benefits of eInvoicing, and the country's Digital Business Council recently instated a national XML-based invoicing standard. While this standard is not mandatory, businesses are encouraged to use it to improve their cost efficiency.

China's environment is unique in that the country has recently changed its tax structure from a Business Tax and VAT model to a simplified VAT model for all goods and services invoices. China's invoicing regulations involve the use of the Golden Tax System (GTS), which is the government's scanning and clearing system used for tax reporting. The country requires Chinese businesses to send invoices through the GTS to comply with VAT laws. Because of the country's changing tax structures, it has only recently allowed electronic invoicing and eInvoicing use is still very limited and comes with many constraints. Several eInvoicing pilots have been launched around the country in the last few years, but eInvoicing is only permitted among a select group of businesses and for a specific type of invoice. For the most part, businesses are still required to issue paper invoices in order to comply with VAT regulations. While the country has some of most complex eInvoicing requirements in the world, PayStream predicts that some of the more confusing parts of the process will be streamlined in the next few years.

Below are some of the most important B2B requirements among APAC countries:

Country	Regulations	Top Requirements and Charecteristics
Indonesia	High	» Tax authority: Director General of Taxation (DGT) » eInvoicing is mandatory » Electronic invoices (e-Faktur) must go through the DGT's e-Faktur system » Digital signatures are required
South Korea	High	» Tax authority: National Tax Service (NTS) » eInvoicing is mandatory » Corporations are required to use special e-Tax invoices
Singapore	Moderate	» Tax authority: Inland Revenue Authority of Singapore » B2G eInvoicing is mandatory » Regulations mostly apply to electronic archival
Taiwan	Moderate	» Tax authority: Ministry of Finance (MoF) » eInvoicing is mandatory for a few industries » The sender and recipient must register with the Taiwanese tax authority » Digital signatures are required
China	Moderate	» Tax authority: State Administration of Taxation » eInvoicing is partially permitted; only for some businesses and invoice types
Vietnam	Moderate	» eInvoicing is mandatory for companies with over $659,000 chartered capital » Digital signatures are required » eInvoicing mandate expected for all companies in 2018
Thailand	Moderate	» Tax authority: Thai Revenue Department » eInvoicing is not mandatory, but it is permitted » Digital signatures are required
Hong Kong	Low	» Tax authority: Inland Revenue Department of Hong Kong » eInvoicing is not mandatory, but it is permitted

India	Low	» Tax authority: Department of Revenue
		» eInvoicing is not mandatory, but it is permitted
		» Digital signatures are required
Japan	Low	» Tax authority: National Tax Agency (NTA)
		» eInvoicing is not mandatory, but it is permitted
		» eInvoices require special approvals
		» Few regulations beyond accessibility and archival
Malaysia	Low	» Tax authority: Inland Revenue Board of Malaysia
		» eInvoicing is not mandatory, but it is permitted
		» Few regulations beyond accessibility and archival
Australia	Low	» Tax authority: Australian Taxation Office
		» eInvoicing is not mandatory, but it is permitted
New Zealand	Low	» Tax authority: Inland Revenue Department
		» eInvoicing is not mandatory, but it is permitted

EMEA (EU/UK, Middle East/Africa)

eInvoicing adoption and use in Europe varies greatly by region. Even though much of Europe has been standardized since the European Union was established, the EU has not yet regulated eInvoicing among its members. There is currently a disjointed set of eInvoicing requirements for different EU countries, with governments issuing different legislation items from one another, including delivery in different formats and mandatory document elements. This diverse landscape can create many hassles for organizations operating in the region.

Fortunately, the European Union has recently issued a statement that B2G eInvoices will be standardized and mandatory in the public sector starting in November 2018. It remains to be seen how the EU will replace the existing laws on eInvoicing. However, it has stated that eInvoice requirements will be designed to be compatible with international electronic billing standards and current EU VAT laws, and will ensure businesses' data protection in accordance with European regulations. The EU also plans to roll out a system that is user-friendly and flexible, and its requirements will take into consideration the special needs of small and medium-sized businesses.

In the Middle East, most countries have low levels of AP adoption. A few countries in the region are not reliant on a VAT-based system and are therefore less motivated to mandate eInvoicing, although large organizations in several countries are leading the adoption push in efforts to reduce costs. The Gulf states will adopt a VAT system in 2018, which should also play a role in increasing eInvoicing adoption in the region.

Turkey is among the leaders in electronic adoption, as its government has implemented a state-run eInvoicing platform that requires XML invoice formats and electronic signatures. Some industries are required to register for the platform, including oil, automotive, and alcohol and tobacco sectors, while other companies can choose to enroll by registering with the Turkish Revenue Administration.

In Africa—with the exception of South Africa—countries are still in the early stages of eInvoicing adoption. South Africa is one of the few countries on the continent with a clearly outlined set of electronic invoicing standards. In most other countries, the VAT structure is loosely constructed and enforced, and eInvoicing is either not permitted or barely regulated. National eInvoicing initiatives are not yet a priority for many governments, but interest is growing as these countries solidify their VAT and financial processing regulations.

Below are some of the top B2B requirements among Europe/EMEA countries:

Country	Regulations	Top Requirements and Charecteristics
Russia	High	» Tax authority: Federal Tax service of Russia » eInvoicing is not mandatory, but it is highly regulated » Standard format: XML » Digital signatures are required » 4-year archival (at least)
Turkey	High	» Tax Authority: Turkish Revenue Administration » Electronic invoicing is mandated for certain sectors and companies » XML format » Digital signatures are required » Industry-specific mandates

Saudia Arabia	Moderate	» Tax Authority: Department of Zakat and Income Taxes (DZIT) » eInvoicing is not mandatory, but it is permitted » Digital signatures are required
European Union	Moderate	» B2G eInvoices for EU members will be standardized and mandatory in 2018
France	Moderate	» Tax Authority: Direction Générale des Impôts (DGI) » eInvoicing is not mandatory, but it is regulated » Accepts electronic signatures » Currently undergoing transition for all B2G invoices to be electronic. This is expected to be complete in 2020 (based on size of company)
Germany	Moderate	» Tax Authority: Bundesministerium der Finanzen (BMF) » eInvoicing is not mandatory, but it is regulated
United Kingdom	Moderate	» Tax Authority: Her Majesty's Revenue and Customs (HMRC) » Most eInvoicing is captured by data transfer, PDFs, or supplier portals » eInvoicing is not mandatory, but it is regulated » Currently undergoing roll-out of eInvoicing standards
South Africa	Moderate	» Tax Authority: South African Revenue Service (SARS) » Electronic invoices must contain specific information (VAT number, order details, etc.) » eInvoices must also have either a digital signature or be transmitted using an encryption key » The recipient of an eInvoice must provide written documentation confirming that they accept eInvoices for VAT

The Case for Global AP Automation

Global AP solutions automate a company's AP processes for both domestic and overseas B2B transactions, while also streamlining and simplifying the process of invoicing compliance for each region in which the company operates. Adoption of a global AP solution should not only get rid of paper and manual-based processes, but it should create a partnership between the company and a knowledgeable solution provider—a provider with enough resources to enable compliant international invoicing. Moreover, automation should not stop with electronic invoicing itself, but entail a holistic approach to AP.

For some companies, the decision to move from manual to automated invoice management requires more justification than simply as a means for compliance, especially for companies that do not have a large presence in countries where electronic invoicing is mandated. Other companies may only set up the proper technical requirements to send and receive electronic invoices without automating the rest of the AP department using additional invoice management tools such as approval workflow. However, resistance to a holistic approach to global AP inhibits a company's ability to scale, and costs much more in the long run in labor and processing expenses than it would to implement a solution. Automation also brings savings through faster invoice approval times and an increased ability to capture early-payment discounts, as well as lower overall processing costs.

From a global standpoint, when companies automate all areas of their AP process, they are eliminating efficiency-related distractions that make the complex job of compliance more difficult. They save AP departments time normally spent on manual tasks, like data entry or problem resolution, and allow them to focus on more strategic activities like communicating with their international partners, monitoring changes in regulations, and improving management over spend. AP automation also provides an automatic audit trail of all financial activities, and many solutions offer document archival with search and retrieval functionality.

Unfortunately, there are a few challenges when it comes to adopting a global eInvoicing solution. Some common adoption problems for mid-sized and large US companies are similar to those that PayStream has seen across other financial solutions, such as lack of budget, a belief

that there will be no ROI from the solution, and a lack of understanding of available solutions. Some other barriers are more nuanced, such as a lack of clarity on the legal requirements of global invoicing, and confusion on how global invoicing tools are supposed to work.

A better understanding of the need, benefit, and use case of global AP solutions can help to answer many of these questions and reduce adoption barriers. Primarily, a global AP solution provider should offer the following capabilities.

The Basics. This includes the basics of both AP automation and the technical requirements in the regions that the client operates in. On the AP side, a leading solution should offer flexible invoice receipt options, invoice validation and exception management, approval workflow, dynamic discounting management, and electronic payments integration capabilities.

Global AP solutions include multi-language support and currency capabilities, and consistent support (business hours or 24/7) in the languages and regions the client needs. A leading global AP solution also includes a mobile application to help professionals across different locations and time zones keep up with business requirements. Companies should also consider the solution provider's working capital offerings, as in many less developed countries a Supply Chain Financing option can greatly improve relationships with suppliers and help maintain stable cash flow.

Finally, global AP solutions should offer implementation and IT personnel that understand the country-specific technical requirements for electronic invoicing in many different areas. A client's set of technical requirements may be very diverse depending on the number and geography of the regions in which they operate, and may require support for several different system integrations and invoice formats. Organizations should create checklists of documents and processes they will need to comply with based on where they are operating.

For example, if a company is operating in Brazil, they need a provider familiar with the Brazilian tax authority, SEFAZ, the CTe invoice and its requirements, and the chain of approvals and authorizations required for a B2B order-to-receipt process. In Latin America in general, countries have different contingency plans in place in the event of technical failures that would disrupt electronic invoicing compliance

(e.g., downed servers). A provider that claims LATAM experience should know different countries' contingency policies and be able to support its clients in these areas should they need assistance. Companies should make sure the provider can meet their specific needs in the solution or through a partner, or be willing to customize the solution during their relationship. Many providers are adding several new region-specific support capabilities to their solution each year.

To truly support clients' region-specific compliance needs, global AP providers should also be fully liable when meeting government regulations on behalf of their client. In an ideal situation, once clients connect their logistics and accounting information to the provider's solution, the provider would take over from there.

Understanding. A global AP solution provider must offer more than just currency and language support, or a few tools that help organizations meet some technical requirements of eInvoicing in other countries. The provider should also be able to offer a deep knowledge of the regions in which its customers operate, and the local requirements for all B2B invoicing. This means providing clients with information about invoicing requirements even when it does not involve an electronic invoicing mandate, such as in Russia or Japan.

Scalability. A global AP solution should also have the resources in place to continually help their customers as regulations change. For example, much of the APAC region has yet to regulate their invoicing standards or mandate full electronic B2B invoicing, but they are shifting that way. Will the global AP provider be able to support their clients operating in those regions over the next several years as regulations—and the risk of non-compliance—increase?

Scalability also entails a provider's ability to support customers as their business grows and they expand to new areas. This is especially important for companies that are just starting to build out their international operations; these companies should not be inhibited by their solution provider ten years into a relationship because the provider does not have the resources to support their expanded needs.

The ability to meet customers' needs. The provider should demonstrate a willingness to tailor a solution in places where it doesn't fit the needs of the client and/or its suppliers. They should also

consider their current level of automation in other areas of their back office. If a company has a purchasing or sourcing solution in place, the AP tool should be able to integrate with these tools, facilitating a smooth transition from any current automated purchasing process to a global AP and payments process. Finally, it is important to determine a company's needs in individual regions. Below are some examples of some internal questions a company can make sure they are looking for a solution that will meet their needs.

» *What volume of transactions will we process?*

» *What sort of language and customer support will we need?*

» *What business processes will we be doing in these regions? Do we need a solution that handles Accounts Payable and Accounts Receivable?*

An intuitive solution. Many multinationals have a diverse set of teams across their global operations, with some locations using completely different languages and work techniques. The AP solution should be easy to learn so that training is simple across many different languages, cultures, and workplace environments. Of course, this also requires the solution to be offered in all the languages required, or requires that the provider offers to create a new version of the tool in the needed language.

Similar customer experience. Beyond having experience in the country that the client operates in, a solution provider should have experience with companies similar to the client's size and industry. Organizations can ask providers some qualifying questions concerning their interactions with other international organizations and different regions. This will ensure the provider has the right experience in the right places with the right kind of companies. Below are some questions to include in an RFP and interviews with providers.

» *Where are the provider's clients (which countries and how many in each country)?*

» *What are the clients' technological abilities (ERPs, AP management tools, electronic invoicing requirements, etc.)?*

» *What industries are the provider's clients in?*

» *What market segments are the provider's clients in?*

» *Has the provider built new, region-specific features or support for any clients?*

» *How long has the provider been operating in each of its supported countries / regions?*

Once organizations have identified the global AP solution provider that is right for them, they can start building out their adoption initiative and solution rollout. The following section offers some best practices for companies hoping to automate their global eInvoicing process.

Finding Success in Global eInvoicing

Organizations that have gained success in global AP and eInvoicing have adhered to the following best practices:

» **Gain company buy-in from the top down.** In order to properly implement electronic invoicing across all operations, all parties in an organization must understand the use case and value of electronic invoicing. The C-suite must be willing to invest in the required technology, and users of all roles in all locations should be comfortable with and enthusiastic about using the solution.

» **Bring in all internal teams when choosing a supplier.** Beyond gaining the C-Suite's buy-in, organizations should ensure cooperation among all internal teams, especially for the final decision making process. Given the complexity of global compliance and potential for fines, PayStream recommends that an organization's compliance or audit teams be involved when evaluating AP solutions. This will reduce the risk of selecting a non-compliant invoice solution.

» **Clearly define roll-out strategy and timeline.** When it comes to implementing a new system, it is important that professionals in management roles understand that their job does not end once implementation is complete. Constant attention and evaluation is required to ensure that old methods for invoicing are eliminated and the new process is being used across every department. This requires the proper communication of duties from those leading implementations so that managers understand how they can control eInvoicing processes.

» **Offer flexibility (in formats of receiving/sending invoice and payment).** Because of the scope of a global eInvoicing initiative, some organizations struggle with gaining full cooperation across all their different locations, teams, and suppliers based on format. The key to solving this issue is flexibility—both from management and from the solution provider. Organizations should look for a provider that offers a range of electronic options for invoicing and payments in order to allow everyone to come to the table.

» **Communicate with suppliers.** Beyond simply having flexibility, organizations must properly communicate expectations to suppliers. A successful eInvoicing implementation strategy can only be developed when the technological, financial, and strategic abilities of a supplier are taken into account. Organizations should consider suppliers when the eInvoicing strategy is being developed and when the solution is being implemented in order to avoid future problems. If suppliers do not have the ability to send invoices electronically, steps must be taken to get them up to speed, or an alternative option should be developed.

In order to give organizations a picture of a modern global AP solution, the following profiles highlight the features and services offered by some of today's leading global AP automation providers.

Basware

In 1997, Basware released its first electronic invoicing solution, and for over 30 years the company has helped its clients streamline their financial processes with multiple AP and P2P solutions and access to Basware's comprehensive global business network. Today, the company is one of the top providers of global P2P automation. The Basware Network provides an open commerce and financing network that connects businesses in over 100 countries and territories around the globe. Basware recently added a S2S capability to their solution platform which enables clients to easily identify, evaluate, and select the right suppliers.

Founded	1985
Headquarters	Espoo, Finland
Other Locations	USA; UK; Germany; Australia; Denmark; France; Netherlands; Norway; Sweden; Belgium; Russia; India; Singapore
Number of Employees	1890
Number of Customers	2700+
Target Verticals	Automotive, Entertainment & Media, Healthcare, Manufacturing, Oil & Gas, Financial Services
Partners / Resellers	Ricoh, Canon, IBM, ICreative GmbH, Flucticiel, CGI
Awards / Recognitions	Leader in Gartner's Magic Quadrant for Procure-to-Pay Suites report, two consecutive years; Leading eProcurement Solution in the Forrester Wave, 2017; Best Provider of AP Solutions, Best Integrated Working Capital Management Solutions, Best Web-Based Supply Chain Financing Solutions, Global Finance Magazine; Best Provider of Accounts Payable Solutions, Spend Matters

Solution Overview

Basware primarily works with multinational enterprises (MNEs), typically with revenues over $250 million and 1000+ employees. Basware has direct operations in most European countries, Australia, and in

the United States, and its customers are mostly based in the US, UK, Germany, Finland, Sweden, Norway, Australia, Belgium, Denmark, France, and the Netherlands. Basware can simultaneously integrate with over 250 different ERPs, with package integration templates for several major ERPs, including SAP, Oracle, and JD Edwards. Basware's solutions are available in the following languages: Chinese (Simplified, Traditional), Danish, Dutch, English (GB), English (US), Finnish, French, German, Italian, Japanese, Korean, Norwegian, Polish, Portuguese, Russian, Slovak, Spanish, Swedish, Thai, Turkish, and Vietnamese. Basware can add any language to the solution based on customer need.

Basware's solution can handle the full breadth of invoice types, including direct, indirect, PO-based, and non-PO invoices. Basware's cloud-based AP automation solution includes support for multiple invoice formats and submission methods, including PO flip and manual data entry through the solution's portal, OCR data capture via email or scan and upload, and direct integration with an AR or billing system for suppliers sending larger volumes of eInvoices. Basware also allows clients to direct paper invoices to Basware's Global Scan & Capture Service, which picks up, sorts, scans, extracts, and validates invoice data (against SLAs) before sending the content as eInvoices. The Basware solution can automatically match invoices to contracts and purchase orders in Basware P2P or any connected third-party procurement/ERP solution.

The solution also offers configurable exception handling and invoice approval workflows. Once invoices are approved, the solution automatically applies dynamic discount and payment terms based on existing agreements, and offers fully-integrated working capital and payment capabilities as well. The solution provides a set of role-specific dashboards, KPIs, and reports with drill-down analytics for managing direct and indirect spend.

Global AP Support

Basware offers compliant eInvoicing support in over 60 countries across Europe, the Americas, and other regions, as well as scanning and printing services in several additional countries. Basware's offering in Latin America consists of a combination of Basware services and localized service extensions built with a local partner. Local clearance types of eInvoicing models are integrated with Basware's services, providing Basware's customers with a single point of contact in the region. Supported countries include Brazil, Mexico, Ecuador, Peru, Uruguay, Chile, Argentina, Colombia, and Costa Rica. Through the

partnership, the solution supports most common LATAM invoice type requirements, including those for NFe, CTe, CFDI, and DTE. Basware's local LATAM partner receives notifications directly from tax administration and regulatory authorities in advance of regulatory changes, and the partner communicates these changes to Basware.

In Europe, Basware's services are designed to support compliance with VAT eInvoicing requirements for both widespread EU directives and local VAT legislation in supported countries. Almost every European country is supported by Basware's standard services, and custom services are available for the remaining areas. Basware works with several partners on EU eInvoicing and tax compliance, as well as directly with local European tax authorities to gather and analyze relevant requirements on regional and local levels. Basware also provides customers with EU eInvoicing compliance best practices, and will customize the solution for customers' specific business processes and practices.

In addition to LATAM and EU countries, Basware supports eInvoicing compliance in several other regions, including APAC and Russia. These support capabilities are often built through integrated local partners.

Implementation

Basware provides local professional implementation services for every major country in which it operates. These teams have decades of experience, and have worked with thousands of customers to implement AP and P2P solutions according to local regulatory and customer-specific requirements. Basware's AP solution is also built to support integration with multiple ERPs across several geographic locations and business entities. During implementation, Basware pulls master data from different ERPs to be used throughout the customer's AP process, including supplier-related information, accounting data, VAT codes, and exchange rates.

Coupa

Coupa was founded in 2006 and is headquartered in San Mateo, California. In October 2016, Coupa became a public company with its IPO under the ticker COUP. Coupa's AP invoicing solution is offered as a standalone product or within its holistic P2P and S2S suites, which also include travel and expense management, inventory, analytics, contracts, inventory, sourcing optimization, AI classification, supplier information, and supplier risk management modules.

Founded	2006
Headquarters	US
Other Locations	15+ global locations across North America, EMEA, and APAC
Number of Employees	700+
Number of Customers	530+
Target Verticals	Financial Services, Healthcare, Energy, Manufacturing, Retail, Professional Services, Food and Beverage, Technology
Partners / Resellers	KPMG, Deloitte, Accenture, PwC
Awards / Recognitions	PayStream 2016 P2P Automation Navigator, scoring highest in Proficiency; Forrester Wave for eProcurement 2017, scoring highest in Current Offering and Strategy, respectively; Gartner MQ for P2P Suites 2016, scoring highest in Ability to Execute; Forrester 2016, among Top 6 SaaS Breakout Vendor

Solution Overview

Coupa currently has over 530 customers across both mid-market and large enterprise segments in countries across the Americas, EMEA, and APAC. Coupa's business network connects buyers with suppliers across more than 100 countries, and the network grew from 2 million to 3 million suppliers between May 2016 and May 2017. Coupa has global offices across the Americas, EMEA, and APAC, and its cloud-based solution uses data centers in the US, Ireland, Singapore, and Australia.

Clients can use the Coupa APIs, flat files, web services, custom code, or any integration provider to connect their existing platforms to

Coupa's AP solution. Coupa's solution can be deployed with a single instance (across any number of ERPs) and rolled out to a client's global workforce, allowing all employees to access the application from any location via web browser or mobile device. Coupa can handle intercompany transactions and multiple companies/legal entities in one instance, including different processes for different parts of the company or completely different business entities.

Coupa can be configured to support any currency and tax code out of the box. Coupa currently supports many languages, including US English, Danish, German, Swiss German, UK English, Spanish, Spanish Colombian, Finnish, French, French Canadian, Czech, Hungarian, Italian, Japanese, Korean, Dutch, Norwegian, Polish, Brazilian Portuguese, Russian, Swedish, and Chinese (Simplified and Traditional). In the case where a language is not offered, Coupa can easily add a new language within a reasonable time for new customers. Users also have access to the "Suggest a Translation" (patent pending) functionality, which allows an admin to apply a real-time language change to their instance of Coupa.

Coupa Invoicing provides organizations with a complete solution for managing their domestic and global AP processes. It supports capture through a supplier self-service portal or multiple electronic formats, including cXML, EDI, and email. It also offers an application called InvoiceSmash that converts emailed invoice attachments into the field formats required by the customer's AP. Customers can also elect to use Coupa's partners for scanning and document conversion to enter paper invoices into the system. Key Coupa Invoice capabilities include automatic PO-to-invoice conversion, and configurable approval tolerances. The solution can match invoices to purchase orders and receipts, and can also help manage exceptions. AP teams can set up and manage approval workflows via operational dashboards, as well as manage payments and apply early payment discount terms.

Global AP Support

In order to help customers comply with global invoicing regulations, Coupa gives international clients access to dedicated personnel in product management and development that are focused solely on global invoice compliance. This service, delivered through a collaboration with the risk management specialist PwC, is called Coupa Compliance-as-a-Service, and it includes both tax value compliance and invoice processing compliance support. Coupa currently owns and maintains documented requirements guidelines for more than 80

countries around the globe, and this library is update and expanded on an ongoing basis. Coupa also offers out-of-the-box and pre-configured (Compliance-as-a-Service) models for over 30 countries, and expands country coverage based on customer needs.

Coupa also helps with global compliance through the Coupa Know Your Transaction (KYT) tool, which helps global companies apply the correct tax regulations to invoices. KYT allows for transaction-level control, combining supplier address details and transaction details to improve the accuracy of each transaction and enable correct tax determination and coding.

Implementation and Pricing

Coupa uses both internal professional services resources and Coupa's Certified Implementation partners to support clients' global implementations. These partners work with each client to define and establish their preferred method of support during implementation. Coupa currently has over 100 professional services resources and over 1,000 certified partner resources. Individual partner resources must go through a structured certification program to be able to implement Coupa.

SAP Ariba

SAP Ariba, a division of SAP, was founded in 1996 as a provider of corporate purchasing automation software. Known originally as Ariba, the success of its B2B eCommerce network and cloud solution suite attracted the attention of SAP, which acquired Ariba in 2012 as a core asset for digitizing business commerce. The Ariba Network connects over 2.5M companies, primarily Global 2000-sized organizations as buyers that work with suppliers of all sizes and types.

Founded	1996
Headquarters	Palo Alto, CA
Other Locations	London, Shanghai, Dubai, São Paulo
Number of Employees	~4,700
Number of Customers	2.5 million+
Target Verticals	Consumer Goods, Distribution, Financial services, Healthcare & Pharmaceutical, Manufacturing, Oil & Gas, Public Sector, Publishing, Retail, Services, Telecom, Utilities, among others
Partners / Resellers	PrimeRevenue; Discover; First Data; Mercado Libre; Made in a Free World
Awards / Recognitions	SAP Ariba customer Avery Dennison recognized as IOFM P2P Department of the Year for 2016; Leader in Gartner Magic Quadrant for Procure-to-Pay Suites, 2016, scoring highest in Completeness of Vision and Ability to Execute; Best eProcurement and Best Invoice Discount Management Provider, 2017, Global Finance Payments Innovator Awards, PYMNTS.com

Solution Overview

SAP Ariba has 36 offices around the world, with local implementation teams serving each region. SAP Ariba currently supports 21 languages, with 3 new languages (Croatian, Bulgarian, and Czech) planned for this year. SAP Ariba can handle transactions in 190 countries and supports 70 currencies. The Ariba Network and cloud-based solutions are integrated with all major ERP and back-office accounting systems, and have native integration with the SAP ERP.

SAP Ariba's solution suite includes Source-to-Settle for buyers and Sell-to-Settle for suppliers, with functionality for PO and invoice automation, business payments, dynamic discounting, and working capital management optimization. SAP Ariba's AP/invoice management solution supports multiple file formats, automatic invoice validation, automatic exception handling, approval workflow, and payment capabilities. The solution also offers contract and services invoicing that simplifies invoice processing for recurring services and complex, project-based services.

Buyer and supplier collaboration occurs over the Ariba Network, which manages more than $1 trillion annually in business commerce. Extensive AP self-service features are available to suppliers via the network upon registration. The company also offers a "light account" feature, which allows buyers to connect with one-time/low volume suppliers over the Ariba Network at no charge to suppliers.

Global AP Support

SAP Ariba supports eInvoicing in 36 countries globally, with country-specific features that address regulatory requirements for those countries. The solution's capabilities include country-specific fields and business rules for data validation, country-specific guides to assist customers with eInvoicing in those regions, and document archival support designed to comply with region-specific archival requirements. To stay current with changing local requirements in different regions, SAP Ariba's Globalization Services team works closely with tax consulting and legal partners in each area. SAP Ariba has also recently partnered with Thomson Reuters to support a new global tax intelligence solution that helps organizations calculate and comply with global tax regulations for procurement and sales activities. The solution, ONESOURCE, was developed by Thomson Reuters and leverages SAP Ariba's API platform.

SAP Ariba offers specialized eInvoicing support for Brazil, Chile, and Mexico tax invoicing according to local rules, and standard invoicing for other LATAM countries. Specialized support includes document-specific workflows and approval requirements (NFe, CTe, DTE, PAC, etc.), folio management, online and on-premise contingency, and Addenda support. The solution allows sellers to submit all their invoices, either created in their ERP system or using another provider, to be validated and processed through Ariba Network. All inbound

invoices are validated against the tax authority before they are passed on to Ariba Network and customers' systems.

SAP Ariba eInvoicing supports compliance for the majority of European countries, and will add new countries in 2017. All ISO Currencies are supported, and additional currency rates/codes can be uploaded to Ariba invoice management via a CSV file. SAP Ariba also supports eInvoicing for many countries in the APAC region, including China, Singapore, Japan, Australia, New Zealand, Hong Kong, and Malaysia.

Implementation

SAP Ariba has been supporting implementations for buyers and suppliers globally for more than 20 years. The company's implementation and support teams include more than 2,400 professionals, including 350 experts on supplier enablement, 25+ working capital specialists, and approximately 145 members focused on supplier integrations. In addition, SAP Ariba provides clients with access to several partners that assist with global customer deployments.

Tradeshift

Tradeshift was founded as an electronic invoicing provider in 2009 by a team of Danish entrepreneurs. Since then it has been delivering AP, P2P, and supplier management solutions via its open platform for multinational companies all over the world. Tradeshift also enables partners and customers to build unique apps that add value to the ecosystem of buyers and suppliers on the platform. Tradeshift has recently introduced a lightweight, collaborative purchasing and payment tool to help customers address their tail spend using virtual credit cards (Tradeshift Go).

Founded	2009
Headquarters	San Francisco, CA
Other Locations	10+ global locations across North America, Europe, and APAC
Number of Employees	550
Number of Customers	450
Target Verticals	Manufacturing, Energy, Financial Services, Transportation, High tech, Automotive, Healthcare, Media, Retail
Partners / Resellers	Wipro, Cap Gemini, KPMG, Deloitte
Awards / Recognitions	Digital Disruptor Award; Top 50 Highest Rated Cloud Companies to Work For, The Techies; 2016 Product Innovation of the Year Award, PayStream Advisors; Forrester eProcurement Wave 2017

Solution Overview

Tradeshift is ERP-agnostic and can integrate with back-office systems in a variety of ways, including file transfer (SFTP, FTPS) and web services (REST API). The Tradeshift solution supports 14 languages including Spanish, Danish, German, English, French, Hungarian, Dutch, Polish, Portuguese, Finnish, Italian, Swedish, Japanese, and Mandarin, as well as the electronic document standard, OASIS Universal Business Language. Tradeshift also offers 24/7/365 multilingual support to global customers from offices in the United States, Europe, and Asia. Support languages include, but are not limited to, English, Danish, French, German, Norwegian, Polish, Romanian, Spanish, and Hungarian.

Tradeshift's AP solution features a complete set of invoice management tools, as well as procurement automation for organizations that wish to complete the Procure-to-Pay lifecycle. In addition, suppliers can collaborate on AP and procurement processes through the Tradeshift Network. Suppliers can submit invoices in a variety of ways, including electronic invoicing and the use of a PDF invoice conversion tool, CloudScan, which accelerates the conversion of paper-heavy suppliers to electronic invoices. After invoices are submitted, the solution offers document validation, including custom validations that can be created by business users, multi-way matching, exception management, and configurable approval workflows. It also supports dynamic discounting and supply chain financing. Tradeshift's network connects over 1.5 million companies across the world, and its application ecosystem allows third parties and customers to build their own applications or extensions on the Tradeshift platform.

Global AP Support

Tradeshift is eInvoicing compliant in approximately 65 countries around the world, offering pre-configured solutions for each country in which its clients operate. Tradeshift partners with many global tax experts, authorities, and global tax accounting firms to ensure its platform is current on all regulatory requirements regarding electronic invoicing and taxes. Tradeshift's multi-tenant solution is designed to absorb regulatory changes, as well as add regulatory coverage for additional countries, without impacting users.

In LATAM, Tradeshift offers local invoicing support for Chile, Brazil, Mexico, Peru, Argentina, Columbia, Costa Rica, Ecuador, and Uruguay. Tradeshift partner Trustweaver leveraged the Tradeshift platform to build a clearance and validation app, wherein all LATAM compliance information is maintained by Trustweaver and made available to Tradeshift clients.

Tradeshift's solutions are equipped to handle B2B invoicing requirements across all European countries. During the AP process, Tradeshift enforces specific invoice content validation depending on the country, and offers electronic invoice support and signature authentication. Tradeshift also offers support for Russian invoice regulations, including digital signature authentication, electronic invoicing (through Trustweaver), and eInvoice archival.

Tradeshift offers special support for customers operating in China through a partnership with Baiwang, one of only two government-

approved providers of VAT hardware and software, which is compliant with the validation and authentication requirements with the government's Golden Tax System (GTS). The partnership provides real-time access to information on all issued and received invoices within Tradeshift's system and/or the GTS.

Implementation

Tradeshift provides dedicated implementation teams and partners to handle multi-country, multi-region rollouts. Depending on the modules implemented, the Tradeshift Professional Services team works with the customer to evaluate their IT landscape and recommend a suitable country-specific integration approach based on customer resources, ability, and willingness to lead aspects of the integration. Tradeshift can take full ownership of the integration, or simply act in an advisory role for the customer's own IT resources.

About PayStream Advisors

PayStream Advisors is a research and advisory firm focused on business process automation in sourcing, supply chain management, procurement, accounts payable, payments, and expense management. PayStream's team of experts provide targeted research and consulting services to address the changing needs of finance and procurement professionals. In short, PayStream is dedicated to maximizing returns and minimizing risks associated with technology investment. PayStream's research reports, white papers, webinars, and tools are available free of charge at www.paystreamadvisors.com. PayStream Advisors is a division of Levvel, an IT consulting firm specializing in technology strategy, design, architecture, and DevOps.