

CASE STUDY

Bexley processes 40% of its invoices electronically with Tungsten Network



Forward-thinking London Borough of Bexley

was one of the first Local Authorities in the UK to commit to e-invoicing back in 2006. Since then, many others have followed in its wake, recognising the benefits of paperless invoices and straight-through processing. Bexley, meanwhile, has continued to develop and expand its offering to suppliers, supported by Tungsten's best in class service and support.

"It's always good when we meet with suppliers and are able to say that we do e-invoicing, as there are lots of local authorities that don't have that capability. I feel very proud that we can say that, and that 40% of our invoices are e-invoices."

—Bel Temel, Accounts Payables Manager at Bexley

TUNGSTEN NETWORK

THE OPPORTUNITY

Bexley was an early adopter of e-invoicing, becoming one of the first organisations to sign up to what was then OB10 in 2006. As the organisation was breaking new ground, in the very early days the process entailed a steep learning curve as Bexley began to grasp what was, at the time, a "completely alien" modus operandi.

"It was a massive journey for us, as we had to communicate with our suppliers, and the cost of onboarding was an issue for some back then, so take up was a little slow at first," explains Bel Temel, Accounts Payables Manager at Bexley. However, the process has now been significantly streamlined, with e-invoicing written into the majority of Bexley's supplier contracts: "Tungsten is now the preferred route and is mandatory for most suppliers. All of our large volume and large value suppliers now come in through the Tungsten Network."

In fact, the system has been such a success that Bexley now processes around 60,000 invoices a year through Tungsten, equating to around 40% of its total invoice volume.

BENEFITS

One of the major benefits of e-invoicing—and particularly for a body handling public money—is fraud reduction. "It's a really hot topic," says Bel. "Bexley has experienced a number of cases of attempted fraud, where people use existing clients' templates to submit

bogus invoices. It can look very professional, and it's only when you go into the detail do you realise it's a fraudulent invoice. Tungsten has taken care of a lot of that side for us, and has helped prevent significant amounts from erroneously going out the door."

Bel cites one example involving

an invoice worth £50,000, where a business purporting to be a supplier wrote in with a change of bank details. The bogus invoice had been doctored carefully, using the supplier's template and data, including its old bank details. Fortunately, the anomaly was picked up and no money changed hands (and bear in mind that Bexley's money

CUSTOMER

ORGANIZATION: London Borough of Bexley

COUNTRY: U.K.

SOLUTION: e-invoicing

GOALS

- Increase number of suppliers using the service
- Pay local suppliers on time and to agreed terms
- Cut the number of paper invoices
- Continue actively promoting the e-invoicing service
- Consider other Tungsten Network products in future

RESULTS

- Over 40% of invoices processed electronically via Tungsten Network
- E-invoicing has aided significantly in fraud reduction
- Smaller suppliers benefit from Tungsten Early Payment
- Smaller suppliers also benefit from Web Form use free of charge

comes from the taxpayer, hence the Borough's commitment to tackling fraud and remaining financially responsible).

An additional benefit is catering for smaller suppliers, many of whom could in time also take advantage of Tungsten Early Payment, which allows them to take early payment on approved invoices. Currently, around 80% of Bexley's suppliers are small, local businesses, and to date the feedback on Tungsten's e-invoicing platform has been very positive.

Bexley's lower volume suppliers have found Tungsten's Web Form service—a tool which enables them to simply and swiftly create and submit invoices online—to be especially beneficial. "Suppliers that use the Web Form tell us that it is very user friendly and does not cause them many issues. Because it's a template and they're familiar with what an invoice looks like, it doesn't phase them," explains Bel. "It has been very helpful that, over the last couple of years, we have been able to offer smaller suppliers the Web Form solution

free of charge – that is a really useful selling point."

The user-friendly nature of the service also means that more and more suppliers are taking it up, with a very significant increase over the last few years. Bel also advised that there has been "very little attrition."

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FUTURE

Bexley took the decision to extend its relationship with Tungsten in 2014, signing up for a further three years.

"It really helped that we have been using the system for some years," says Temel. "In addition, the pricing was very favourable compared with other systems we looked at, and that's a real benefit for a local authority which is strapped for cash owing to budget cuts, with further

cuts expected in coming years. It also gives us the scope to look at other products Tungsten is offering, such as Tungsten Analytics."

While Bexley does not have any firm targets for increasing its e-invoicing percentage, the local authority is committed to encouraging a wider use of e-invoicing among suppliers, which is particularly important as governments across the globe begin to look more closely at mandatory e-invoicing for B2G contracts. Bexley has been actively promoting the service through its service teams and remains confident that as time goes on the figure will continue to increase.

"Another point is that we also have suppliers leaving as well – for example, those that we no longer do business with," explains Bel. "So at the same time as we are onboarding people, we have others dropping off the network. The fact we have increased our percentage every year shows that e-invoicing will continue to grow in popularity."



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