



GLAXOSMITHKLINE PROCESSES 90% OF ITS INVOICES ELECTRONICALLY WITH TUNGSTEN NETWORK

GlaxoSmithKline plc (GSK), one of the world's largest pharmaceutical, biological, and healthcare companies is successfully transacting more than 90% of its targeted invoices with Tungsten Network, built on OB10 e-Invoicing. GSK rolled out e-Invoicing with Tungsten Network in 2004 and converted approximately 60% of its invoices to electronic. Then in 2009, GSK announced a major project to significantly increase productivity and reduce costs by 20%, which took e-Invoicing to the next level.

GSK selected Tungsten Network as it offered the most compliant service and best network coverage. Tungsten Network also provides best practice programme management, supplier enrolment and technical implementation.

CHALLENGE

To achieve its efficiency goals, GSK needed to address the number of paper invoices it still processed and its high volume of supplier enquiries, 70% of which related to outstanding invoices. With a large and valuable supplier base, it is important for GSK to pay invoices on time and to agreed terms.

SOLUTION

Focused on the company's savings objectives, GSK worked with Genpact, its BPO partner, to set a target to convert 90% of suppliers to e-Invoicing and increase its purchase order usage. Tungsten Network and GSK developed a programme to encourage suppliers to join Tungsten Network. Soon, it was mandatory for all new suppliers to join the network. Following the success of its mandatory e-Invoicing campaign, GSK chose to use the Tungsten Network supplier portal for invoice status check, which allows vendors to see the status of their invoices. It also selected PO Convert to make it easy for suppliers to turn purchase orders directly into invoices.

JOURNEY

For the initial roll-out in 2004, Tungsten Network worked closely with GSK's finance and procurement departments to set targets for the suppliers that GSK wanted to approach. As a first step Tungsten Network identified those suppliers that were already present on the Tungsten Network network and which could therefore be 'switched on' to send invoices to GSK straight away.

For the new supplier enrolment campaign in 2009, Tungsten Network helped GSK develop and deliver communications to its targeted suppliers while its multinational enrolment team brought them onto the network. In addition, GSK received support from its BPO provider Genpact, who helped to follow-up with suppliers. Tungsten Network worked with both GSK and Genpact to ensure that all internal stakeholders received regular updates and understood the importance of e-Invoicing to the business.

CUSTOMER

COMPANY
GlaxoSmithKline
SECTOR
Pharmaceuticals & Healthcare
COUNTRY
UK

GOALS

- ✓ To process 90% of targeted invoices electronically
- ✓ Increase productivity
- ✓ Reduce costs
- ✓ Pay suppliers on time and to agreed terms
- ✓ Reduce high volumes of supplier enquiries
- ✓ Cut the number of paper invoices

RESULTS

- ✓ Over 90% of invoices processed electronically via Tungsten
- ✓ 95% of invoices delivered electronically via Tungsten Network are now paid on time
- ✓ 50% reduction in supplier calls
- ✓ Significant improvements in data accuracy

BENEFITS

Initial take up was impressive with 85% of the targeted volumes converting to electronic. GSK also saw major improvements in data accuracy as Tungsten Network validates an invoice before passing it on to GSK. Any non-compliant invoices are rejected, so that the supplier can correct and then resubmit them quickly. Once verified and submitted to GSK, the supplier receives a notification that the invoice has been delivered.

Within 10 months of introducing invoice status check and PO convert through the Tungsten Network portal, GSK saw a 50% reduction in supplier calls in the response centre. This was a direct result of suppliers now having an online portal that enabled them to see the status of any outstanding invoices at a glance.

Moreover, web entry services can now use the Tungsten Network portal PO Convert function. Fifty per cent of these are now converting their purchase orders into invoices, making the whole process much easier and quicker.

Suppliers also started to notice the benefits of the Tungsten Network network. In fact 95% of invoices delivered electronically via Tungsten Network are now paid on time.

The project exceeded all of GSK's main criteria for success, and even surpassed its original target of having 90% of its invoices processed electronically.

The project was rolled out across all suppliers, including those serving North America and Canada.

FUTURE

The next step is to roll out e-Invoicing in conjunction with a global SAP deployment over the course of several years.

With the increase to over 90% of invoices being processed electronically, as well as the use of Tungsten Network's portal services, GSK can now ensure that 95% of all invoices are paid on time.

SERVICES

- ✓ e-invoicing services
 - Invoice automation
 - Supplier portal
 - Supplier on-boarding
- ✓ Invoice Status Service
- ✓ PO Services

TUNGSTEN NETWORK

We work with Fortune 500 companies and the world's largest BPO providers to enable straight-through processing and early payment financing.

- ✓ Delivering knowledge, data, best practices and innovation since 2000
- ✓ Trusted by the world's leading companies to deliver e-invoicing and early payment services
- ✓ Solutions for 100% of your invoices
- ✓ Real-time spend analytics for better buying decisions
- ✓ Specialist skills and experience among our dedicated e-invoicing experts
- ✓ Legal and tax compliance in over 40 countries

TUNGSTEN NETWORK CUSTOMERS

AVIVA, Henkel, BP, DHL, Pfizer, Dixons Retail Group, BBC, IBMD.E Master Blenders 1753, Tesco, Barclays, Dr. Pepper Snapple, Eli Lilly & Company, GM, Whirlpool, GlaxoSmithKline, Kellogg's, Kimberly-Clark, Motorola, Mondelez International, Medtronic, Lufthansa, Rabobank, Unilever, Swiss International Air Lines, Department of Veterans Affairs, Kraft Foods.

