

A QUARTERLY E-INVOICING NEWSLETTER

engage.

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CONTENT

01 **EDITOR'S NOTE**
Welcome 2022!

02 **LET'S TALK
PROCESS**
What exactly is
process excellence?

03 **UP CLOSE &
PERSONAL WITH:**

Chang Woei Leong,
Manager for
Operations &
Transformation @
Konica Minolta

05 Yap Rueh Herng,
Chief Technology
Officer @ Mentor Media

08 **GUEST ARTICLE
BY PAGERO**
3 reasons why
enterprises should
streamline their
workflow with
e-invoicing.



editor's note.

GEOK SEONG WAH
DIRECTOR OF E-INVOICE PROJECT OFFICE



Dear readers,

The first quarter of 2022 had gone by in a flash as we got busy transiting into the new year architecting new plans and taking steps to make them a reality. In this ever-changing landscape, we recognise that while digitalisation is here to stay, the pace of adoption and journey for every organisation to get there can look very different.

We observed a common thread that binds every organisation's decision to digitalise, and that is: Driving Process Excellence. In the 5th issue of ENGAGE, we got up close and personal with Chang Woei Leong, Manager for Operations and Transformation at Konica Minolta, and Yap Rueh Heng, Chief Technology Officer at Mentor Media to share their experience, wisdom, and challenges in driving process excellence within their organisation and got them to share some advice for other businesses who are planning to implement InvoiceNow as part of their new process.

Process excellence is not a destination we arrive at, but a journey that continually requires us to re-evaluate, re-engineer and reconfigure (sometimes literally). Like gears, digital utilities such as InvoiceNow when employed correctly, can add more motion and power to process excellence in an organisation. I like what Yap said about how at the end of the day, "the benefits are derived from the workflow and process that you design and not how good, latest, or mightiest the tools are."

In this issue, we also got Raymond Lam who is the Managing Director of ASEAN at Pagero to share 3 key reasons why it's worth it for enterprises to switch to e-invoicing. It is no surprise that e-invoice adoption is quickly becoming one of the high priority digitalisation strategies for governments and businesses to further streamline processes, boost growth and create business agility.

I hope you will enjoy the latest campaign video where we featured Serene Ong, Finance Director at Pan Pacific Hotels Group who emphasized stronger partnerships with their suppliers through InvoiceNow as their key benefit. With efficiency gained from streamlining the way they process and generate invoices through InvoiceNow, they experienced healthier supplier relations which led to them offering products and services to their hotel that has further enhanced their customer experiences.

Wishing you every success in your process excellence endeavor!

See you in the next issue.

Till then, happy e-invoicing!





Let's talk process.

What is Process Excellence? We break it down by understanding that process is a series of actions or steps taken to achieve a specific outcome.



Process is important because it allows a group of people to work together and achieve a certain outcome. Many of the products or services we use in our daily lives, be it laundry services, ordering your favorite coconut shake or even buying a handphone... would have gone through many stages or processes to get to the final outcome. A process is started the moment you place an order for a drink and ends upon you receiving the drink after payment is made.

Imagine life without processes; it would be total chaos.



"If you can't describe what you are doing as a process, you don't know what you are doing"

- W. Edwards Deming



Process excellence is the continuous improvement of business operations comprising people, tasks and other resources to achieve the desired outcome in an organisation. It should allow businesses to continue best practices even when the subject matter experts are unavailable. Achieving process excellence is an on-going, almost recursive journey underpinned by the mindset to always seek improvements.

We invited 2 champions to share their wisdom and experiences in driving process excellence in their respective organisations and how InvoiceNow comes to play.



Manager
Operations & Transformation
Konica Minolta



LEONG heads the operations and transformation office at Konica Minolta in Singapore and looks at transforming processes in the organization be it digitalisation using the relevant digital tools or using technology to improve our processes. He also oversees the billing side of things including the implementation of InvoiceNow.

ENGAGE: Hi Leong, could you share what is your role in Konica Minolta?

LEONG: I head the transformation office in Konical Minolta. The role looks at processes in the organisation and to transform them, be it digitalisation using the relevant digital tools or using technology to improve our processes. At the same time, I also handle the billing side of things and that is where the implementation of InvoiceNow comes in.

A little background of Konica Minolta, It all begins in 1873, when Rokusaburo Sugiura began selling photographic materials in Tokyo. By 1900, the company had developed its first camera. Japan's first plain paper copier was introduced in 1971.

In 2003, Konica and Minolta are merged to leverage the leadership technologies and innovations of both companies to create a corporate giant with wide-ranging expertise in digital, optical and electronic technology.

Like a utility company, our customer is charged based on usage of our Multi-Function Printers (MFPs). For example, at a particular month, a customer printed 10,000 pages and based on the printed pages, we will send them a bill for that month. With the sizeable number of MFPs in the field, we need to generate and deliver thousands of invoices to our customers every month.

Government Agencies are part of our key customers thus a substantial amount of invoices are addressed to them. We are a key user of Vendors@Gov and knowing that they are on the network, we decided to participate in this program to help us minimize manual data entry and improve the process of submitting the invoices to Government Agencies.

My role looks at the operational process of the whole project where IT, security and billing processes need to be taken into consideration and optimized into a balanced transformation.

ENGAGE: What does process mean to your organisation?

LEONG: Different organizations have different interpretation of the term process excellence. In my opinion, PE is how you can look at your process and to find out the best or efficient way to run your operations balancing user experience, compliance, and efficiency.

ENGAGE What were your initial implementation concerns when you first adopted InvoiceNow?

LEONG: Konica Minolta puts document and data security as one of our top IT security priorities. InvoiceNow essentially requires our provider to connect seamlessly to our network to process information before sending invoices out. Integration between SAP and the provider is a challenge when it comes to security concerns. I am glad that we have considered holistically, mitigated these risks systematically and built security layers robustly. Other than that, it's more of the customisability of the system.

ENGAGE: It sounds like the team have built up measures to tackle the security concerns. Are there any other challenges you faced?

LEONG: At the start, we like the idea of what InvoiceNow is trying to achieve and that is having a common way to transact invoices regardless of the different systems in the markets. In order to achieve this, detailed study of the requirements and limitation is important. This is not an easy task and many factors have to be considered. Changing the 'AS-IS' process takes time and additional resources.

continued on page 4.



"Every program or initiative that you are embarking on is different, we must evaluate each case by understanding the effort required and the ROI achieved and ultimately how it contributes to improving our overall process."

- Chang Woei Leong

continued from page 3. Normally, large scale projects that involve the HQ IT support would be a challenge for the local entity to get approval for. However, with support of the management, we managed to push it through.

ENGAGE: Understand that introducing a new process to achieve process excellence can also be a challenge and that also means dealing with the new changes. Could you share with us some of these new changes that you have experienced?

LEONG: One of the modifications we did concerns the field requirements in an invoice. To fulfil the requirements of the Peppol network, some modifications were required on certain fields.

As you know, our billing is based on usage. In some cases, the unit price may be up to 5 decimal points while the Peppol network only accepts 2 decimal points. Therefore, we have to work around this conundrum. This is part of the design and implementation changes that are part and parcel of achieving process excellence. The decimal point problem is being solved by working around the fields of quantity, unit of measurement (UOM) and unit price to ensure the accuracy of the billing price. The program then summarizes the details and reflects the required details within the description field.

We were on the network since last year and currently, we have transacted about 30% - 40% of our invoices via InvoiceNow and continue to work on increasing transaction volume. Knowing that the network will soon have the capability to transact more document types, I believe this will help in providing more automation when it is fully implemented.

ENGAGE: It seems like having an adaptive and flexible mindset is important to carry out innovative projects like InvoiceNow. What would be your advice to other enterprises that are looking to implement an initiative such as InvoiceNow.

LEONG: Every program or initiative that you are embarking on is different, we must evaluate each case by understanding the effort required and the ROI achieved and ultimately how it contributes to improving our overall process.

After the implementation of InvoiceNow, I think what will be useful is to have a sandbox to experience receiving invoices. This will be a good way to do testing and I believe it will be of great value for enterprises to experience before embarking on the journey.

Another advice is to be adaptive, flexible and innovative in coming up with solutions to align with the network standard. This is important to appreciate the fact that every enterprise will face their own and perhaps different set of problems as they are using different systems.

We will need to cater to changes in order to progress.



**Chief Technology Officer
Mentor Media**

YAP is responsible for the SEA business and operations at Mentor Media. He also takes care of the corporate capabilities in IT processes and quality management in the group.

ENGAGE: Hi Yap, can you tell us what you do at Mentor Media?

YAP: I am the CTO of Mentor Media, taking care of the corporate capabilities in IT processes and quality management in the group itself.

Our headquarter is in Singapore and we have operations across the globe with presence in China, Taiwan, India Czech Republic, US, Mexico and Brazil. A lot of our development work is operated in Singapore with a sizeable team that handles special projects. This includes process design, IT development to build capabilities for the group.

ENGAGE: Could you share more on what these special projects are?

YAP: InvoiceNow constitutes a special project. Peppol has been around and this is a pioneer deployment of Peppol in Singapore under the government framework and so this is considered a special project.

Other examples of special projects includes looking into RFID in track inventory and some of them are experimental in nature. Some are POC to prove to customers or industries that are in a particular field of application. These are what we meant by special projects which could be deployed to other sites across the globe.

ENGAGE: Could you share what are the first things that come to mind when you started to implement InvoiceNow?

YAP: Let me put it holistically, when we start a project potentially requiring heavy IT involvement with complicated integration work, we need to understand the business and operational objectives. The project team must be clear about what we want to achieve which we align with our stakeholders or the end users.

Only when we are clear on the objectives, we go into the design work. That's where we talk about workflow, digitalisation, being paperless, etc.

This year, we will be going through an end-to-end process mapping aimed at achieving our objectives and understanding how it is going to transform the way we work and where most savings in cost and increase efficiencies can be derived. From there, we will go into the process design and map the entire service journey.

Specifically, for InvoiceNow, there are 2 big processes that are reviewed under this project. Our procure to pay process and order to cash process. What we want to achieve is to integrate InvoiceNow as part of our current process. We are fortunate in the sense that for the past 3 years, we have already embarked on our own digitalisation journey and have deployed a new ERP system and revamped workflow using sensibility tools within the ERP itself. We already have a current end to end process and InvoiceNow comes in to enhance and automate the invoice to cash part of process. And so, this fits to our plan.

Another important aspect are the resources involved in the project including key subject experts and stakeholders to this end-to-end flow. The purchasing, order management team, operation team, and finance team provide critical domain knowledge and have to be involved in the design stage so they will "buy" the anticipated end state of this project. The IT team plays a crucial supporting role, with analyst, consultants in the ERP as well as the infrastructure team. They will provide all the necessary mapping and support to realise the objectives of the project.



"... so that end of the day the benefits are derived from the workflow and process that you design and not how good, latest, or mightiest the tools are."

- Yap Rueh Herng

ENGAGE: What advice would you give another enterprise that is thinking of embarking on an InvoiceNow journey?

YAP: I think the first thing to do is to look at the current processes in procure to pay and order to cash. How do you do it today? Do you have an underlying accounting ERP system? How do you flow the order and process from one stakeholder to another? You must have a clear picture of where you are now and map out what is the future state when InvoiceNow comes in. Peppol (InvoiceNow) provides the e-delivery of the e-invoices. The ERP system itself will enable you to have an e-invoice capability and exchange Peppol invoice with your partners. It has the ability to process invoices, reconcile and even automate the payment when you link up to your back-end processes correctly with no breaks in between. So, the team really has to sit down and assess the current process and to what extent you want to automate when InvoiceNow comes in. This is taking a process point of view.

Besides looking at that, whenever you bring in an additional system component, you should look at how to make it seamless and evaluate stuff like security, scalability and if it's future proof. The IT team should do its assessment to decide whether to invest resources to build up capability and integrate to your current process.

ENGAGE: When implementing InvoiceNow, how do you ensure that the set-up is robust and secure for your organisation's requirements.

YAP: Fundamentally, companies that want to implement InvoiceNow will need to look at the basic infrastructure to ensure that the network is robust and safe. For example, for the exchange of data, we try to meet our minimum transport layer standard, TLS 1.2. We need to keep our infrastructure upgraded to ensure our security is

up to par and keep in line with the best practices in the industry and remove obsolete infrastructure or operating systems as part of the upkeep.

When it comes to operationalising a B2B interface from an IT standpoint, we look at the ease of maintenance and the level of support we need to put in place. We need to bear in mind that the more you automate, the more potential points of failures we introduce. Having a robust BCP plan (Business Continuity Plan) is important. Our InvoiceNow vendor provides us a browser interface where we can use as a back up to check as a fall back. We have put in place support escalation to the right party in case of a failure.

Fortunately, our ERP system comes with an extensibility framework. So basically, you can program within the framework in the ERP system without having to design a third-party system. That will cut short the number of systems interfaces and make the support simpler.

ENGAGE: Does that mean there are more work to be carried out to build this capability and ensure the seamlessness of the integration?

YAP: The framework is embedded within our ERP, and it supports this extensibility framework. So, we have to train our team to use this framework and we will do the work that is related to invoicing workflow without calling a 3rd party system. We have to ensure that the team is equipped with the right skill set to support it if there is a need for other future projects.

continued on page 7.



"To me, process excellence is a continuous progress as we move toward autonomous operations and to eliminate all the redundant task from our staff as much as possible."

- Yap Rueh Herng

ENGAGE: Can we assume that because of the extensibility framework it allows you to be future proof so that when new technology is available your existing ERP can then be extended to work directly with the new technology and helps in enhancement and scalability?

YAP: Yes, you can say that but it's a double-edged sword. The extensibility would mean that you can do some customisation around the core without touching the core component. However, when there is a system upgrade involving extensibility components, it may cause some problems. So, we need to spend resources to maintain and upgrade it. But these are very specific to applications and can't be generalised. Overall, this is the direction we are taking to minimise the number of systems.

Imagine if we deploy an EDI web service; we deploy a scheduler to run another DLL to do processing; passing from one hand to another and the point of failures you have to manage in an organisation is tremendous and you need resources to support these interfaces. So, as a mature organisation going on Peppol, it's better to find a common framework within the ERP because that's our core system to build all this capability with longer term view in mind.

So, you focus on the skill set around core system and build strength over time. You build on strength rather than trying to explore new tools as they come out in the market. I think in the IT world today, this is important to have the right platform and to have the focus so that end of the day the benefits are derived from the workflow and process that you design and not how good, latest, or mightiest the tools are. Switching doesn't mean you are better off because there could be the lack of skills set and the focus on what you want to achieve.

An example of this deployment is the procure to pay process, one of the developments that we do is to build in the 3-way reconciliation. InvoiceNow focus on delivering the invoice to your system, this is electronically delivered to you but what else can you do with it? In the current workflow, you need to reconcile invoice against a PO, invoice against a good received to proceed to pay. Now that we have an automated invoice process, we decided to build in the 3-way reconcile to make it even more seamless. This is what I mean by starting with the end point in mind and continue to build capabilities around it.

ENGAGE: How would you define process excellence?

YAP: To me, process excellence is a continuous progress as we move toward autonomous operations and to eliminate all the redundant task from our staff as much as possible.

Certain things are given such as diligence, transactional accuracy, and quality. We are now talking about achieving these with more automated processes without manual intervention other than for exceptional cases where a judgement call is needed. That is our goal and where we see process excellence is.

making the switch.

Digitalisation takes time and resources, but here are 3 key reasons why it's worth it for enterprises to switch to e-invoicing.

By Raymond Lam, Managing Director of ASEAN @ Pagero

 raymond.lam@pagero.com



The last couple of years have shown us that digital, cloud-based processes can play a big part in helping businesses survive challenging times. No matter your company size, business digitalisation is essential for getting through unexpected interruptions in production and administration.

E-invoice adoption is quickly becoming one of the highest priority digitalisation strategies for governments and businesses to further streamline processes, boost growth and create business agility. E-invoicing is a key step forward for enterprise companies that wish to streamline workflow and maintain competitive advantage.



DID YOU KNOW?

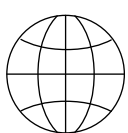
Surprisingly, only 10% of the 550 billion invoices exchanged globally in 2019 were done in a true digital fashion.

(Bruno Koch, The E-invoicing Journey 2019-2025, Billentis, September 2019)

Most businesses still exchange trading documents semi-manually via paper or by sending PDFs and other image files by email. In addition, many governments consider paperless invoices in any digital format, such as PDFs, valid e-invoices for tax reporting.

However, those days are quickly fading as countries like Brazil, Chile, and Australia and more countries in the EU mandate e-invoicing frameworks and platforms with stricter requirements. We are witnessing a pattern of government-implemented initiatives around the world to enable e-invoicing. Countries are adopting e-invoicing frameworks, such as Peppol, known as InvoiceNow in Singapore, as a more controlled way of reporting transactions and guaranteeing data accuracy and security.

Billentis has estimated that "the size of the global e-invoicing and enablement market in 2019 amounts to EUR 4.3 billion, and that it will reach approximately EUR 18 billion in 2025" (Koch, 2019). Many e-invoicing mandates will come into effect in the next few years, and remote or flexible working solutions will remain necessary for businesses to profit and grow.



€18B

Size of the global e-invoicing & enablement market in 2025.

(Estimated figures by Billentis)



**GUEST ARTICLE:
PAGERO**

1.

REDUCED FINANCIAL COSTS

Making the switch to e-invoicing is a sustainable business practice that benefits both the environment and your business. The technology already exists to replace paper entirely and bring huge benefits to your financial control and handling.



DID YOU KNOW?

E-invoice automation can result in cost savings of up to 80% and provides insights for cutting costs and increasing profit margins that aren't possible with PDF and paper-heavy invoicing.

(Bruno Koch, The E-invoicing Journey 2019-2025, Billentis, September 2019)

Structured e-invoice data can easily be analysed down to line-level for predictive forecasting, helping you achieve high ROI, long-term savings, and better business relations. E-invoicing can transform your accounts payable department by replacing tedious and costly manual scanning and processing of invoices with opportunities for value-added analysis, providing better visibility and control over company spend.

2.

OPERATIONAL EFFICIENCY

Streamlining your workflow through e-invoicing means receiving accurate and complete information, which is vital for both reducing time spent on error correction and enabling more informed business decisions. InvoiceNow is becoming the popular choice for private businesses that have begun taking advantage of e-invoicing. The standardised approach to B2B messaging and document exchange provides a uniform means of communication between buyers and suppliers across all borders.

3.

FLEXIBLE, PRODUCTIVE WORK ENVIRONMENT

If we rewind back to the start of the Covid-19 pandemic, almost everyone worked from home with no access to office equipment. This meant that a manual approach to invoice processing was almost impossible. From an operational perspective, it also remains highly inefficient. Keeping track of invoices can be difficult when working from home; less communication between colleagues can lead to less control over purchases and deliveries.

The smartest and most efficient way to eliminate manual work is to focus on the first step of the process: entering complete and accurate data into your system. Reducing manual work means removing steps in the process that take time and cause errors, allowing your finance team to focus on other priorities that will support business growth.

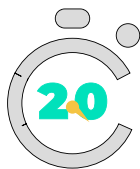
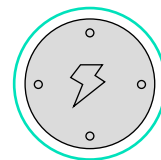


ABB optimized the invoice handling of 80% of their internal electronic invoice volume with e-invoices loaded into the system every 20 minutes.



Shawcor experienced almost 30% reduction in invoice processing cycle times and costs with e-invoicing.



HP's invoice turnaround time reduced from 7 days or more to as fast as a few minutes.

At Pagero, we have helped customers such as ABB, Shawcor and HP realise the benefits of e-invoicing with major improvements in efficiency and time savings. By making the switch to e-invoicing today, you can immediately start maximising your resources and facilitating business success going forward.



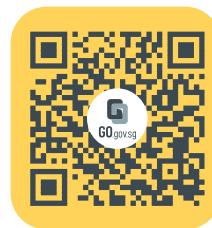


company spotlight.

Stories of InvoiceNow transforming businesses around us

Make Time For What Truly Matters.

Watch the success story of Pan Pacific Hotels Group's Finance Director - Serene Ong who embraced InvoiceNow and gained stronger partnerships with their suppliers. With efficiency gained from streamlining the way they process and generate invoices through InvoiceNow, it has made their process smoother, quicker and stronger.



Scan QR code to watch Pan Pacific Hotel Group's feature video.

Or visit:
<https://go.gov.sg/panpac-video>

free resources.

Access all e-invoicing related resources here



A curated list of digital resources related to the Peppol E-Delivery Network:

- SG BIS 3.0 Specifications
- SG Peppol Directory
- Important Notes on SG BIS 3.0
- How to send a test e-Invoice
- Transacting with Partners
- Sending e-Invoices to Government
- Validex Tool

Access it here: <https://go.gov.sg/peppolplaybook>



About InvoiceNow

<https://www.imda.gov.sg/invoicenow>



SG BIS 3.0 Specifications

<https://www.peppolguide.sg>



InvoiceNow Video

<https://go.gov.sg/invoicenowvideo>



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