# C9 eInvoicing
## powered by C9 Transact

## Introduction

As we all know, companies generate invoices and send them to those buying their goods and services to document the transaction and detail payment terms. In the business-to-business (B2B) market, Governments have been looking at ways to create efficiency and speed up both the accounts receivable and accounts payable process. A number of global electronic standards-based solutions have been established to enable this. One of them is the Peppol standard (Pan-European Public Procurement On-Line). This standard has been adopted by the New Zealand and Australian Governments. Both Governments have called the solution eInvoicing. In New Zealand MBIE are taking a lead role in promoting the solution and approving the solution providers that are a critical to the service.

The New Zealand Government is committed to delivering eInvoicing and MBIE has stipulated that Central Government agencies needed to be capable of receiving Peppol eInvoices by 31 March 2022. The MBIE lead initiative is also targeting non-Government large volume senders and receivers of invoices, as there are many benefits to both sides of this wider two-sided market.

NB: The Australian Taxation Office (which is the lead agency for eInvoicing in Australia) reports that eInvoices are 66% cheaper to process than a PDF based invoice.

There are about 250 million business-to-business invoices exchanged annually in New Zealand and the majority of these are either sent via the mail (paper-based) or are PDF invoices, sent by email.

- It is estimated that it costs more than NZ$18 dollars to process a paper invoice, and NZ$16 to process a PDF-based invoice.

- MBIE believe that an eInvoice will cost less than $10 to process, representing a major saving for bill payers. For the billers the savings come from:

o    Faster payments

o    Efficiency benefits due to no mis-keying or digit transposition by the receiver

o    Positive customer experience

o    Certainty – knowing that your invoice has been received and is loaded into an AP system

## How does eInvoicing work?

eInvoicing is the digital exchange of invoice information (data) directly between buyers' and suppliers' financial systems - there is no need for a PDF or an email to be generated and there is no manual handling or data entry required for receivers of an eInvoice. This exchange of information happens through an eInvoicing network that allows different systems to talk to each other using an international standard, called Peppol, ensuring smooth, secure, validated transactions between different systems, markets and geographies.



eInvoicing enables a low-touch, error-free process that the current practice of emailing a PDF or scanning a paper invoice can't. All businesses and government agencies can access and benefit from eInvoicing, regardless of their size and the systems they use. The eInvoicing framework can be accessed by the 'in-house' systems often used by large businesses, while smaller businesses can access eInvoicing capability through their accounting or financial software provider, such as Xero or MYOB.

Cumulo9 has developed an eInvoicing solution that is powered by our C9 Transact engine. C9 eInvoicing can easily translate any data feed from large volume billers (utilities, telcos, insurance, finance, etc.) into Peppol transactions. Working with our partner ValtaTech (Procure to Pay specialists), who are an MBIE and ATO accredited Access Point Provider, these transactions are securely sent to the receiver. Access point providers provide secure gateways to connect billing businesses via the eInvoicing network to their buyers / bill payers.

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# In summary

A supplier's financial system generates an invoice for the buyer.

The invoice information passes through the eInvoicing network, where information such as GST number, NZ Business Number (NZBN) and bank account number is checked and confirmed. (The NZBN is the key used to ensure the eInvoice is directed to the right buyer.)

The invoice information is passed to the buyer's financial system where it is reconciled against purchase details and is loaded as "ready to be paid".

# The benefits to senders and receivers are as follows:

**a)      Invoice generators (Accounts Receivable)**

- Faster payments – the bill goes straight into your customer's accounting software, enabling the bill to be paid faster/reducing late payments.

- Positive customer experience – reduce administration for your customers, making it easier to do business with you.

- Efficiency benefits/reduced admin burden for the invoice sender as it avoids mis-keying, transposing of digits and other common errors by the bill payer. This reduces incorrect payments which cause issues with accounts receivable reconciliation.

- Certainty – confirmation the invoice has been received via the message response system within the eInvoicing network. Peppol is a direct delivery channel compared to the uncertainty of knowing whether an email or posted invoice has been received. The NZBN address does not change, unlike a customer's email address.

**b)      Invoice payers (Accounts Payable)**

- Reduced administration costs – it's a data transaction, so there is no need for manual intervention.

- Reduced processing costs – the data is ingested directly into the bill payer's AP system, so no keying or scanning required.

- Direct and secure information – the network is a secure one. There is no need for email to be used at all.

- Universal connection – all business-to-business transactions will soon be using the same universal network.

- Improved financial visibility – because the whole process is within a universal network, there is full tracking of data once ingested, and data can be fed into reporting tools and other AP related systems.

- Available to any business – MBIE are promoting eInvoicing at the single application for all B2B transactions and the billing software providers are fully supporting this initiative as well as middleware service providers and other third parties such as mailhouses.

- If a bill payers still wants a PDF as well as the Peppol formatted bill data, a PDF can be sent as part of the data package.
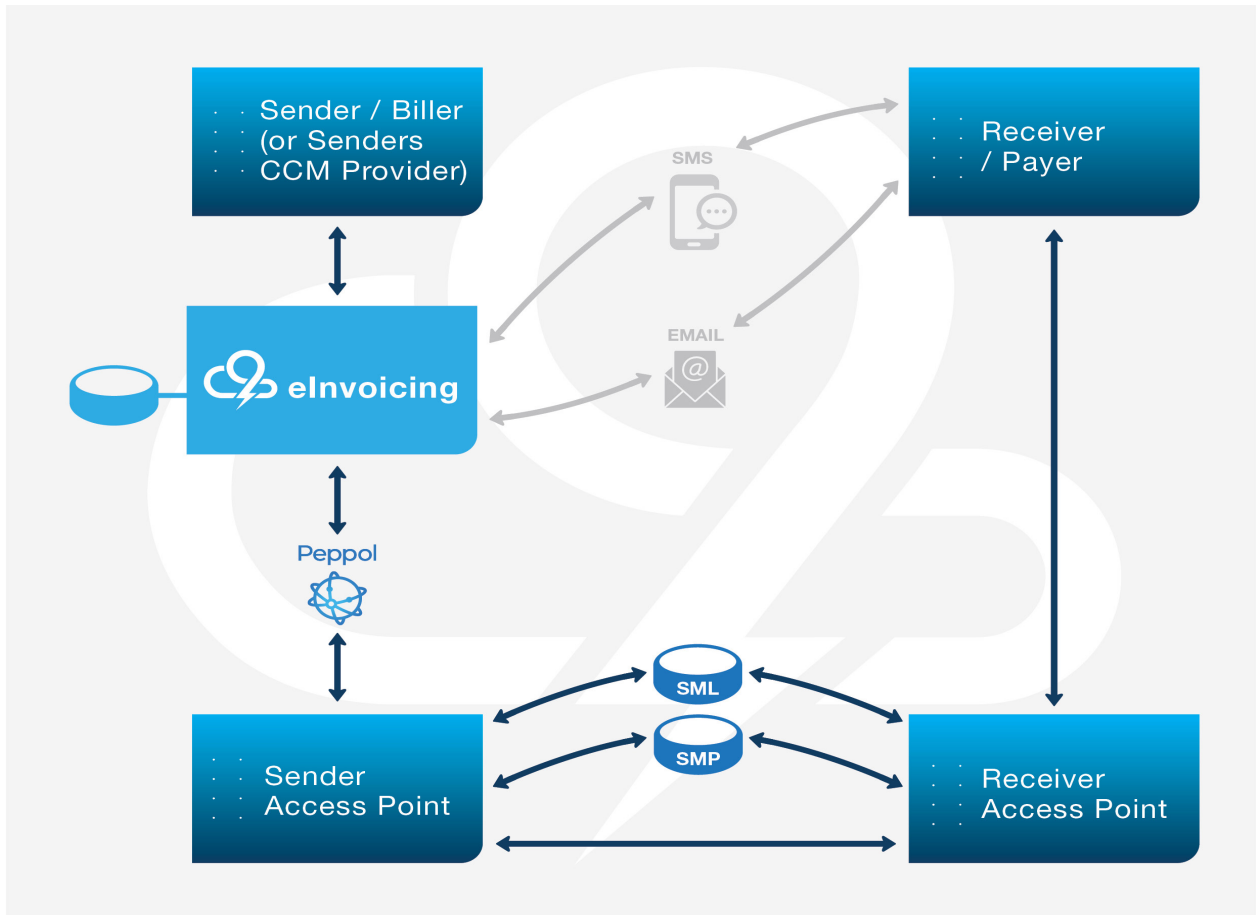
# Why Cumulo9

Cumulo9 are the major billing-based email and SMS service provider in the New Zealand market.  We understand billing processes and the importance of financial transactions. Cumulo9 have developed an end-to-end eInvoicing solution -  C9 eInvoicing. We receive billing data from large volume billers or their bureaux, such as Datam, and format the data into a Peppol compliant transaction which is then passed to our approved Peppol Access Point provider, ValtaTech.  ValtaTech then pass the transaction through the Peppol network to the bill payer's Peppol Access Point.

For the SME market accounting software providers such as Xero and MYOB have already provisioned bill payer Access Points within their software platforms.

C9 eInvoicing offers a secure, one-stop shop for all of your digital invoicing and essential communication needs.  Our integrated dashboard provides a "single view" of all your essential digital communications. Cumulo9 is ISO 27001 certified.  ISO 27001 is a stringent international standard that provides requirements for managing information security.

# eInvoicing powered by C9 Transact - workflow for a Cumulo9 managed service



## As a biller (supplier), or bill payer (buyer) what do I need to do?

The first step is to become fully educated regarding eInvoicing and what you need to do to become fully eInvoice enabled. We recommend that you talk to Valtatech. You should also talk to your existing AP/AR software providers, your mailhouse and go to the MBIE website where there is a host of information available.

If you are a biller it's important that you incorporate your NZ Business Number (NZBN) on your financial transactions. If you are a buyer it's important that you talk to your suppliers about them becoming eInvoicing ready. The benefits for both suppliers and billers are significant.

*NB: Two thirds of Kiwi businesses agree a new way of invoicing will reduce the risk of cyber hacking, cut admin time, speed up payments and improve cashflow, according to research commissioned by the Ministry of Business Innovation and Employment (MBIE).*



For more information on what's happening in New Zealand go to www.einvoicing.govt.nz.  To see what's happening in Australia go to https://www.ato.gov.au/Business/eInvoicing/ If you would like to find out more about eInvoicing, please feel free to contact us:

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> eInvoicing is the direct exchange of data between any two accounting systems, that makes doing business smoother, faster and safer. With less manual handling and processing, it can reduce admin, errors and delays – and help speed up processing and payment, to improve business cash flow.