

HENKEL: TAKING E-INVOICING GLOBAL



Henkel, a global consumer goods organisation of 50,000 employees responsible for brands such as Persil, Schwarzkopf and Loctite, is committed to optimising its purchase-to-pay function by increasing efficiency, effectiveness and compliance.

Despite having self-billing in place, Henkel continued to handle 1.25m paper invoices each year. It decided to look at the case for electronic invoicing as a complementary process that would deliver further automation and efficiency.

BUILDING THE CASE

“When we started our investigations, we saw electronic invoicing as a process that could help us increase our automation levels, reduce workloads and drive down cost,” says Jens Fischer, Henkel’s Global Process Manager – Purchase to Pay. “We recognised that electronic invoicing could be a complementary way of increasing levels of automation.” Henkel’s business case concluded that a strategic investment in electronic invoicing would pay off, particularly in the longer term as more suppliers join the platform.

After looking at several providers, Henkel chose Tungsten Network, built on OB10 e-invoicing. Jens says: “We liked its onboarding capability, while VAT compliance and the pricing model were equally influential in the choice.”

“ Many of our suppliers were already on the Tungsten Network platform, which helped us validate the technical solution. ”

Jens Fischer, Global Process Manager P2P
Henkel

UP AND RUNNING

Having decided that the initial scope for e-invoicing would cover its suppliers in Western Europe, Henkel formed a project team of its own employees – drawn from Purchasing, IT and Finance – and Tungsten Network consultants.

CUSTOMER

COMPANY
Henkel

SECTOR
Consumer Goods

COUNTRY
Operates worldwide

GOALS

- ✓ Increase overall levels of automation in purchase to pay process
- ✓ Deliver increased efficiency, effectiveness and compliance
- ✓ Reduce 1.25 million paper invoices being transacted annually

RESULTS

- ✓ 72% of in-scope suppliers live with e-invoicing
- ✓ Extending roll out to Central and Eastern Europe and Asia



Divided into two work streams, the implementation stream developed the project's blueprint and took the process through its building, test and deployment phases. The onboarding stream focused on getting suppliers set up for e-invoicing, running through the various phases of external and internal communications and training, analysing supplier data, and taking the project right through to getting suppliers enrolled and transacting.

The breadth of the Tungsten Network also had a significant impact on the success of the project: "Many of our suppliers were already on the platform, which helped us validate the technical solution," says Jens.

Within the first **12** months, suppliers that send **72%** of Henkel's in-scope invoices were signed-up for electronic invoicing.

THE CHALLENGE

While the onboarding process went well, Jens says he felt well supported. "Onboarding suppliers isn't simple. Tungsten Network sometimes requires our help with suppliers that resist e-invoicing, but it does most of the enrollment work. We now have suppliers signed up from Western Europe, and Central and Eastern Europe." Emphasising the importance of the onboarding process to the overall success of every e-invoicing project, Didier Lombard, Programme Manager at Tungsten Network, says: "Henkel has been proactive in working with its suppliers and has followed our best practices.

"For example, we have a smooth and effective approach to engaging with suppliers that may have initial concerns about e-invoicing. The team has a single point of contact who gives a consistent and prompt response that explains the advantages and consequences of not moving forward. Procurement is held back as second-level escalation."

THE RESULT

Within the first 12 months, suppliers that send 72% of Henkel's in-scope invoices were signed-up for electronic invoicing.

As a result, Henkel has extended the project's reach to Central and Eastern Europe, and continues to focus on ramping up the transaction volumes. Henkel does not scan any invoices and is benefitting from the increased transparency electronic invoicing provides. In addition, its suppliers have so far saved more than 400 trees by sending invoices through the Tungsten Network rather than on paper by post.

Looking to the future, Henkel is taking the roll out of e-invoicing even further by including North America and Asia in the program.

SERVICES

- ✓ E-invoicing service
 - Invoice automation
 - Supplier portal
 - Supplier on-boarding
- ✓ Invoice Status Services
- ✓ PO Services

TUNGSTEN NETWORK

We work with Fortune 500 companies and the world's largest BPO providers to deliver straight-through processing, spend analysis and supply chain finance.

- ✓ 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

BBC, Dixons Retail Group, GM, GlaxoSmithKline, Henkel, Kellogg's, Kimberly Clark, Lufthansa, Mohawk Industries, Mondelez International, Tesco, Unilever, Department of Veterans Affairs, Kraft Heinz, Whirlpool, and more.

