

Digital Invoice Management - Standardisation in the outsourcing environment



Brett Petersen
Cofounder at Zen Enterprise

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Organisations in both the public and private sectors are increasingly looking to outsourcing non-core activities. One of the main areas this occurs is in ICT. Organisations will outsource many of the ICT functions for the usual reasons for outsourcing, that is, to decrease costs and improve levels of service. Whether this is achieved or not is the topic for another conversation, for which there is now a growing body of evidence.

The structure of the outsource contracts has evolved over time, but is essentially the same from an invoicing and substantiation perspective. There is a summary level invoice with a cost for each line of service with a total cost at the bottom. Supporting this invoice is the substantiation data behind each line of service. This will typically be dozens of spreadsheets with tens, some hundreds of thousands of records detailing every asset under management, every service desk call, project services, etc. With the advent of business process and workflow automation software, there is a need more than ever for the standardisation of the formats in which this is provided.

To allow for effective Extract Transform Load (ETL) processes to occur the client needs to be able automatically import this data into its Invoice Reconciliation management facility (typically specialist software). The requirements on the vendor to do this, are in line with standard data management better practice. That is, relational database format provided in csv or txt format or as single worksheet in excel. The efficiency dividends that can be delivered to the client once imported into the Invoice Reconciliation system are significant, as the software automates the validation and verification process, as well as generating all required reports and journals for chargeback or showback.

When negotiating your next outsource agreement, remember to pay particular attention in the contract to the way in which the data is provided by the service provider. Even if checking invoice support information manually in excel, having it in a standardised relational format will provide you with greater flexibility to automate these verification processes in the future, delivering a significant ROI.

Brett Petersen is co-founder of Zen Enterprise, providing invoice reconciliation management solutions, and can be contacted at:

brett.petersen@zenenterprise.com.au