




SAP Biller Consolidator E-Document Exchange Platform

Typical Challenges in Corporates Current Situation

- **Billers provide invoices on paper combined with sometimes extensive information attached to it**
- **Billers are sending thousands of paper invoices creating massive amounts of data**
- **Large In-House archiving facilities for paper invoices and attached documents**
- **Handle complex processes for receiving of invoices and reduce corresponding costs**
- **Get transparency and comparability of information received**
- **Reduce large amounts of paper which have to be archived today**
- **Accelerate payment release**
- **Enable efficient cash management**
- **...**

Paper invoicing produces massive inefficiencies

- Time consuming and costly invoicing processes
- Error-prone manual data entry in ERP system
- Time delay between invoice reception and booking
- Cumbersome search for archived paper invoices
- Massive amount of individual paper copies
- High risk to loose originals
- Non-automated and non-transparent invoice approvals
- Traditional EDIFACT invoicing is difficult and still needs paper

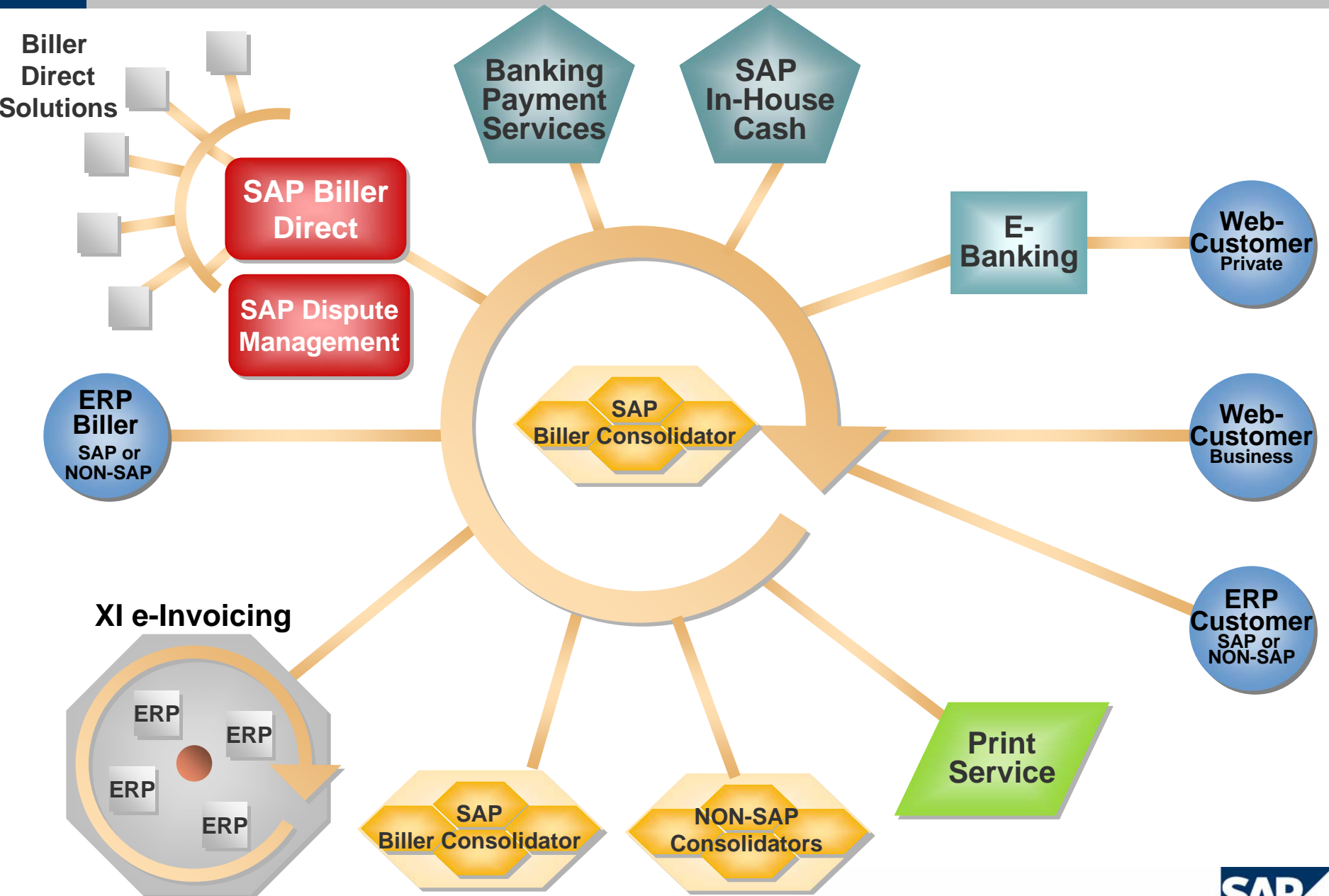


Typical paper invoicing cost on biller and customer side range between 10-30 EUR

EBPP and its Importance to SAP

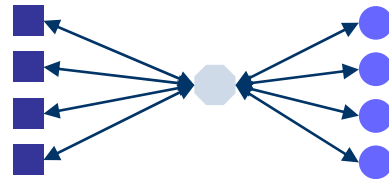
- European market as of now carries 28 billion invoices per year of which over 90% are still on paper
- The implementation of EU e-Invoicing Directive on 1.1.2004 in all European countries has boosted the priority of e-invoicing in enterprises. Hence, e-Invoicing is becoming a key source of cost savings and process optimization in the collaborative business scenarios
- Service providers recognized this new opportunity for providing network solutions for large and small enterprises and charge a service fee
- mySAP ERP and SCM together are covering the full Supply Chain and Financial Supply Chain. With EBPP the billing process and payment initiation are also automated
- The SAP Biller Consolidator is proven and ideally meets the service providers' needs in this area. Also, SAP is uniquely positioned because of its large footprint in the ERP market

SAP EBPP Solution Overview



Differences between Consolidator and Biller Direct Model

Consolidator Model



Concept

Connection

- Once for all participants (approx. 10'000-20'000 total)

Maintenance

- Once for all participants (approx. 5-10'000 p.a.)

VAT compliance

- Covered by Service Provider (also guaranteed in the future)

Standardized Invoice

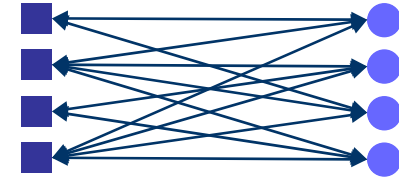
- Through Consolidator Service

Security/ Confidentiality

- Guaranteed by Service Provider

Broad penetration
possible

Biller Direct/Point-to-Point



- Every customer separately (e.g. 5 customers: 50'000-100'000 total)

- Every customer separately (e.g. 5 customers : 50'000 p.a.)

- Possible but very expensive (additional 30'000-70'000 EUR per Biller for PKI system)

- Not Possible

- Has to be handled between each party separately

Broad penetration
NOT possible

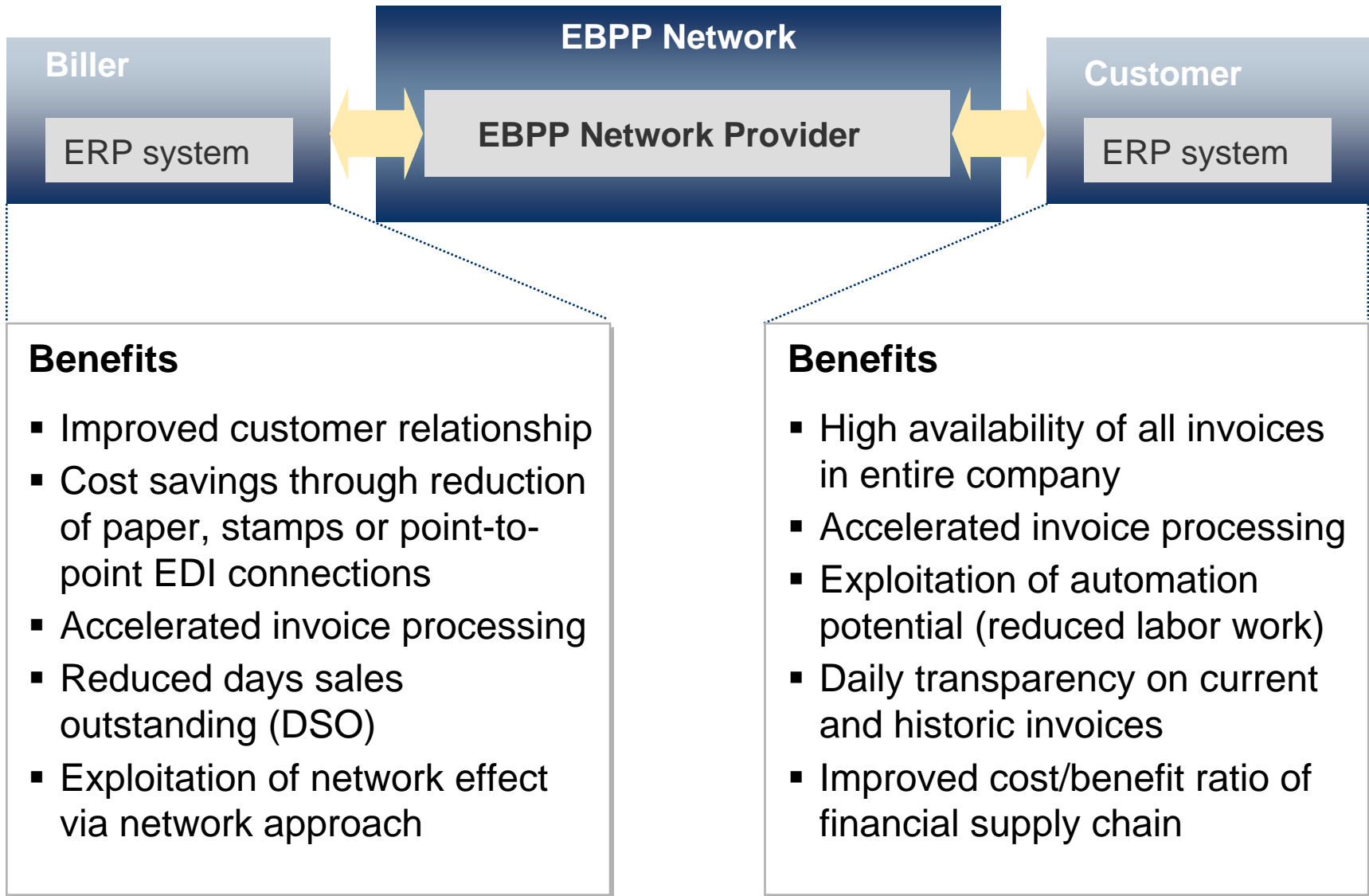
Against other Concepts

- Capture invoices in a **Structured Data Form** already at the source (e.g. Invoice Solution)
- Optimized for straight-through-processing in the **Financial Supply Chain**: From the Invoice generation to the payment process initiation and the Credit Advice
- Complete and integrated solution for both **B2B and B2C** as well as both document/invoice **Presentment and Payment** and both **Thin and Thick Consolidation**
- **Open Standard** and minimum dependency: ASP's can buy standard modules, run them on the own infrastructure and integrate them into the own business model and own service offering

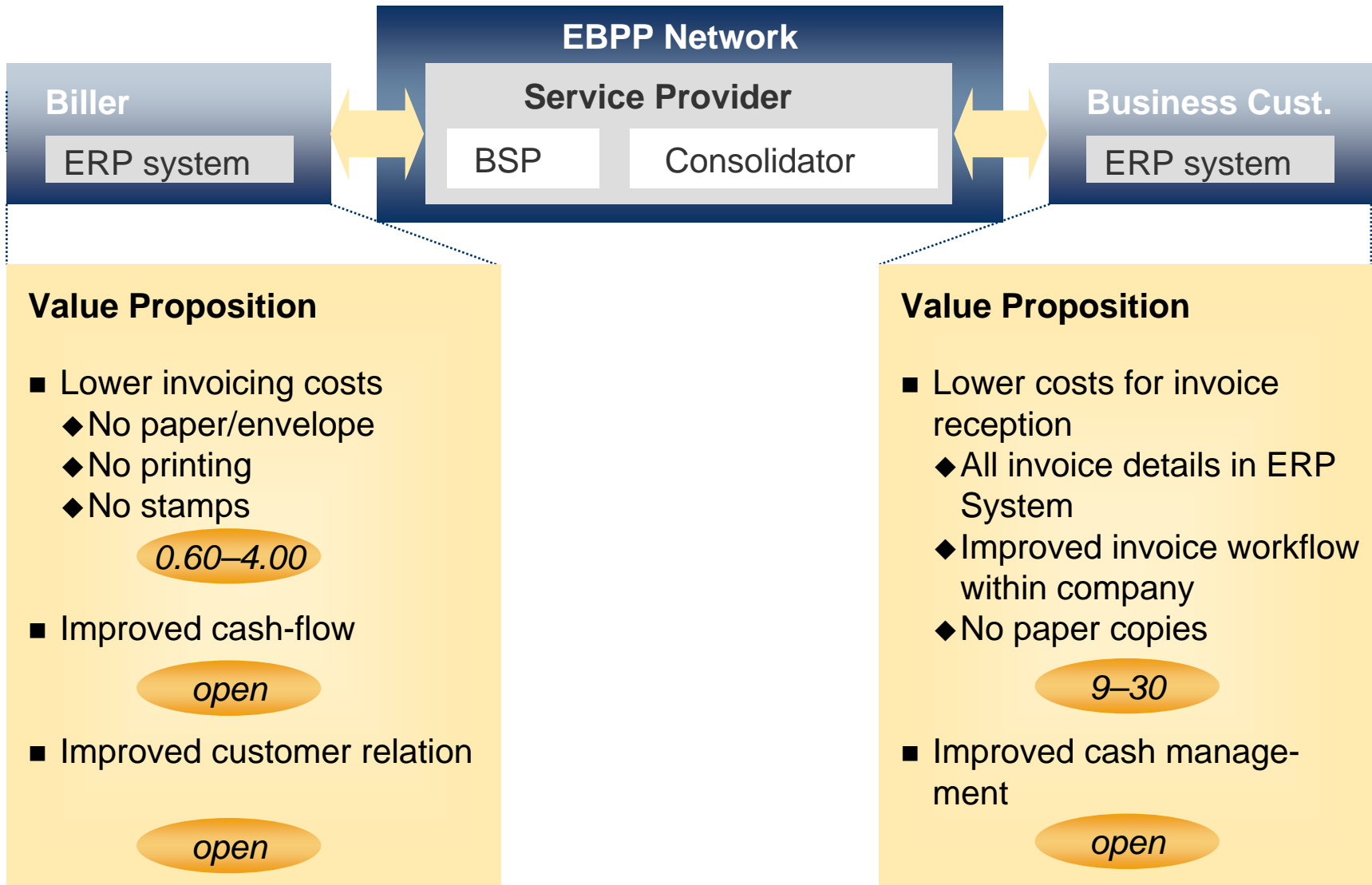
Against Competitors with similar Positioning (Western/Central Europe)

- Fast and reliable achievement of the critical mass with the **Marketing Brand and Capacity of SAP**
- Complete and integrated solution for both **B2B and B2C** as well as both document/invoice **Presentment and Payment** as well for both **Thin and Thick Consolidator** models
- **VAT compliant processing and management of data quality** of the incoming invoices for automatic reconciliation
- **Tight and perfect integration** in the large SAP customer base
- **Investment Protection**, strong and reliable supplier of solution
- **Strong Partner Network**

Specific Benefits for Billers and Customers

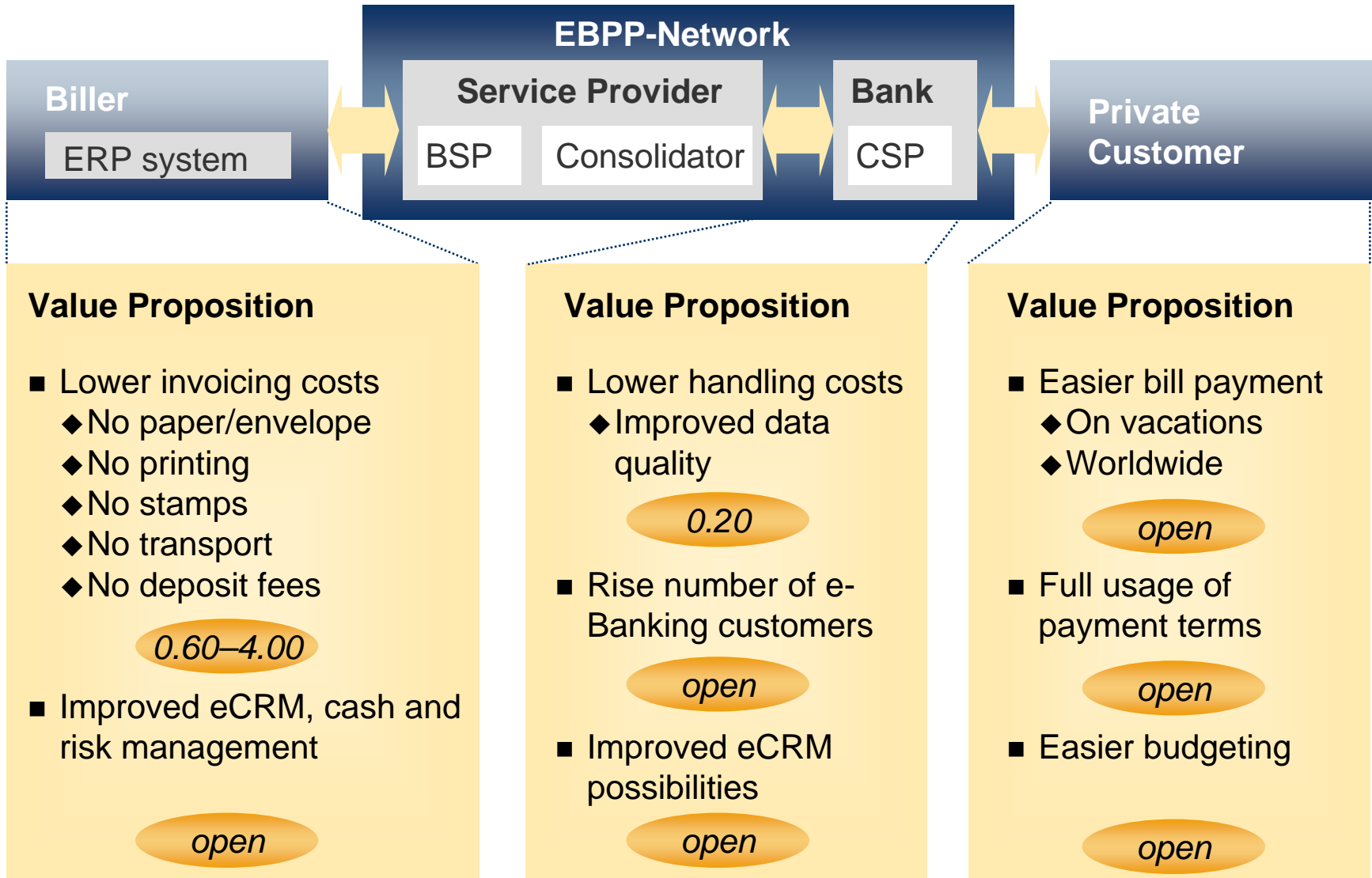


What is the Value Proposition for B2B?

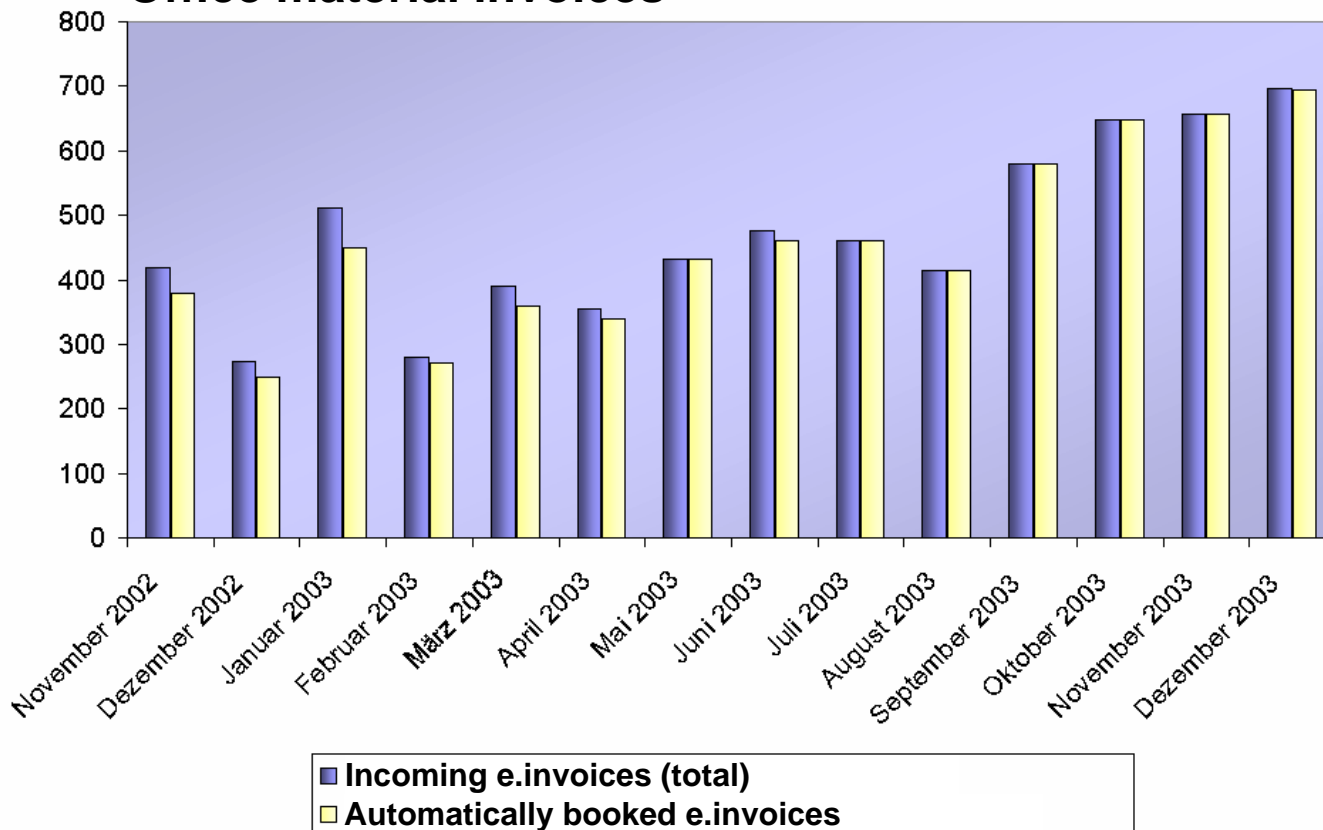


Figures in EUR

What is the Value Proposition for B2C?

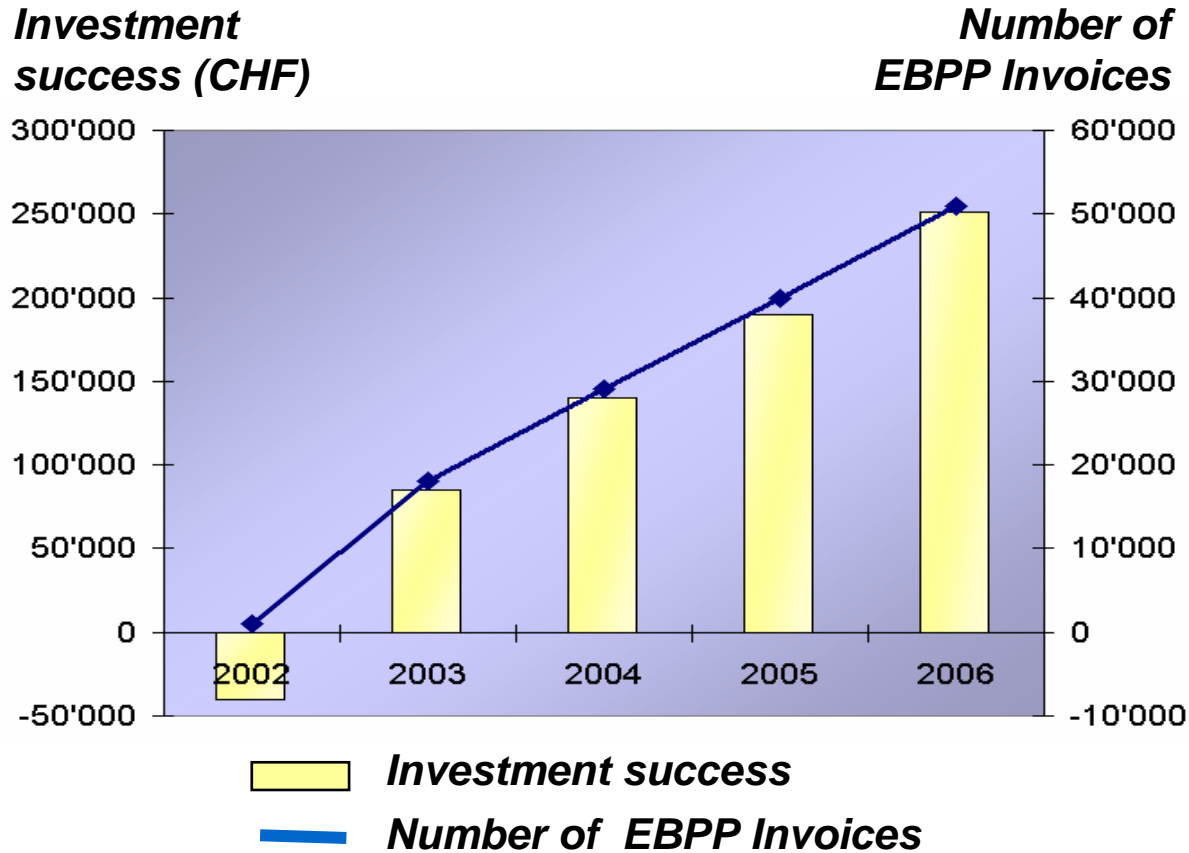


Office material invoices



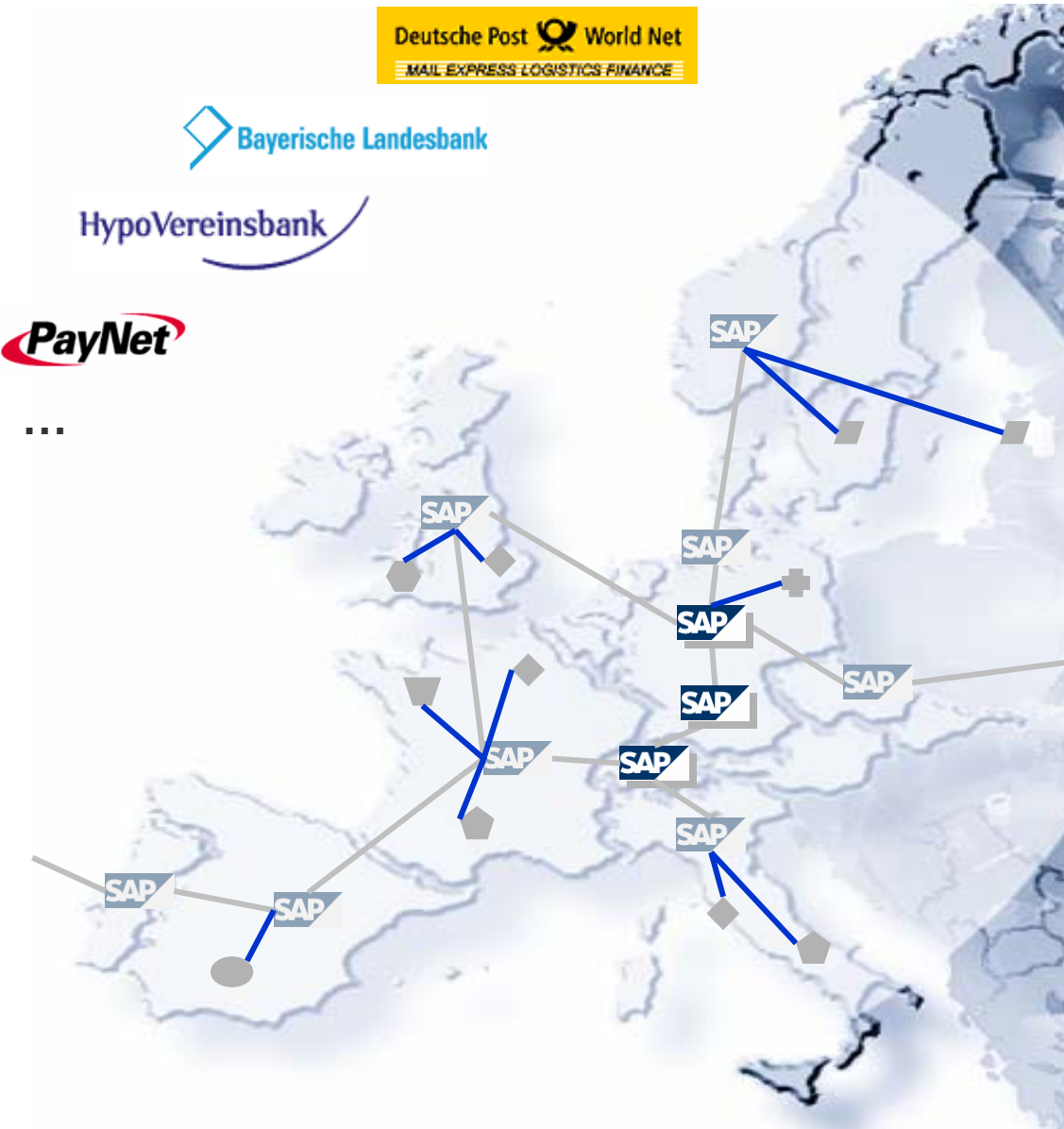
Automated invoice booking of 100%

Customer Experience Regarding Payback




Payback of only six months.

E-Invoicing Vision of SAP






 Existing SAP-based Operators

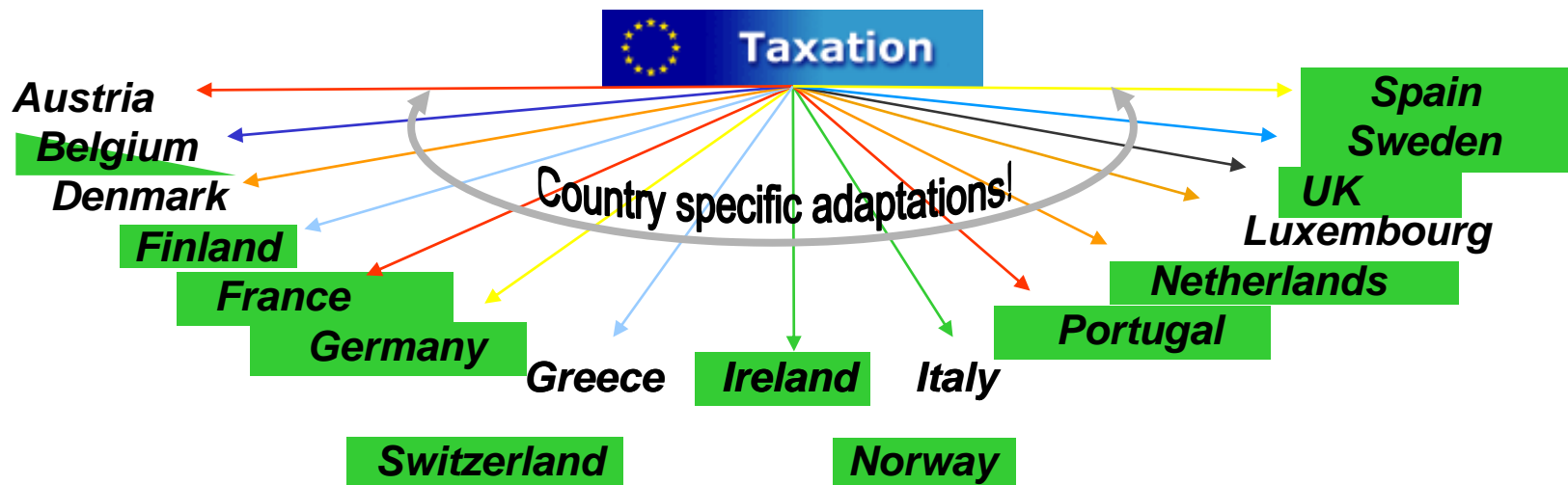
 New SAP-based Operators

 Third Party Operators

*SAP Vision:
A growing network of
interconnected invoicing
service providers in
Europe and other
countries.*

EBPP VAT Issues in Europe can be Solved

-  Solved
-  Decrees underway
-  Final investigations



SAP and key business partners are currently underway to solve the VAT issues across Europe

Why is e-Invoicing picking up slower than expected and what can be done?

Issue	Responsibility
Lack of data quality named No.1 issue by many SAP customers	EBPP Service Providers to provide high data quality for automatic reconciliation
Lack of homogenous legislation regarding e-Invoices	EU member states to balance requirements as much as possible
Technical integration problems	EBPP Service Providers to use standardized interfaces
Lack of overall convenience for participants	EBPP Service Providers to offer full service incl. payment, cross border, B2B AND B2C etc. through ONE channel
Still missing public awareness	EBPP Service Providers
...	...

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