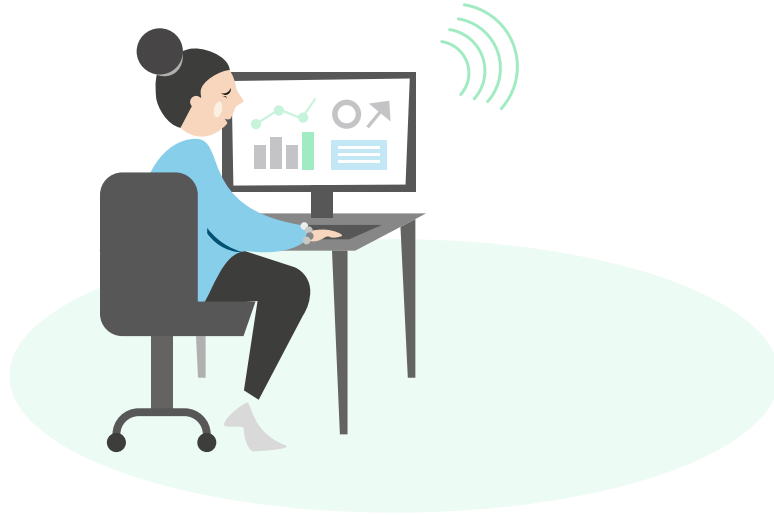




WEBINAR

Top 3 Digital Finance Trends for Manufacturers in 2021

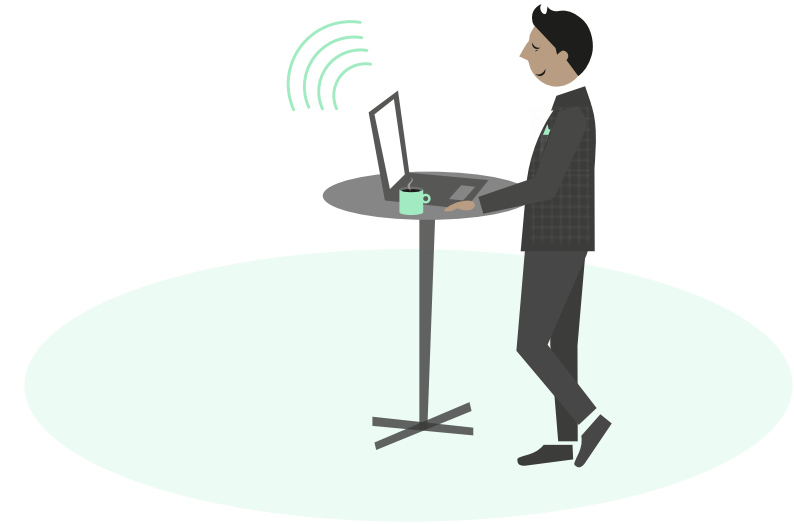
Digital trends



AP digital trends

Goal: Enable straight-through and touchless processing

- 1 Eliminate manual invoice entry
- 2 Access high quality data
- 3 Access to real-time analytics for smart spending decisions



AR digital trends

Goal: Improve cash flows while reducing DSO

- 1 EDI is changing
- 2 Portal integrations
- 3 Comply with ever-changing requirements

Overview

1

Evolution of document flow

2

Accounts Payable: Digital trends

3

Accounts Receivable: Digital trends

4

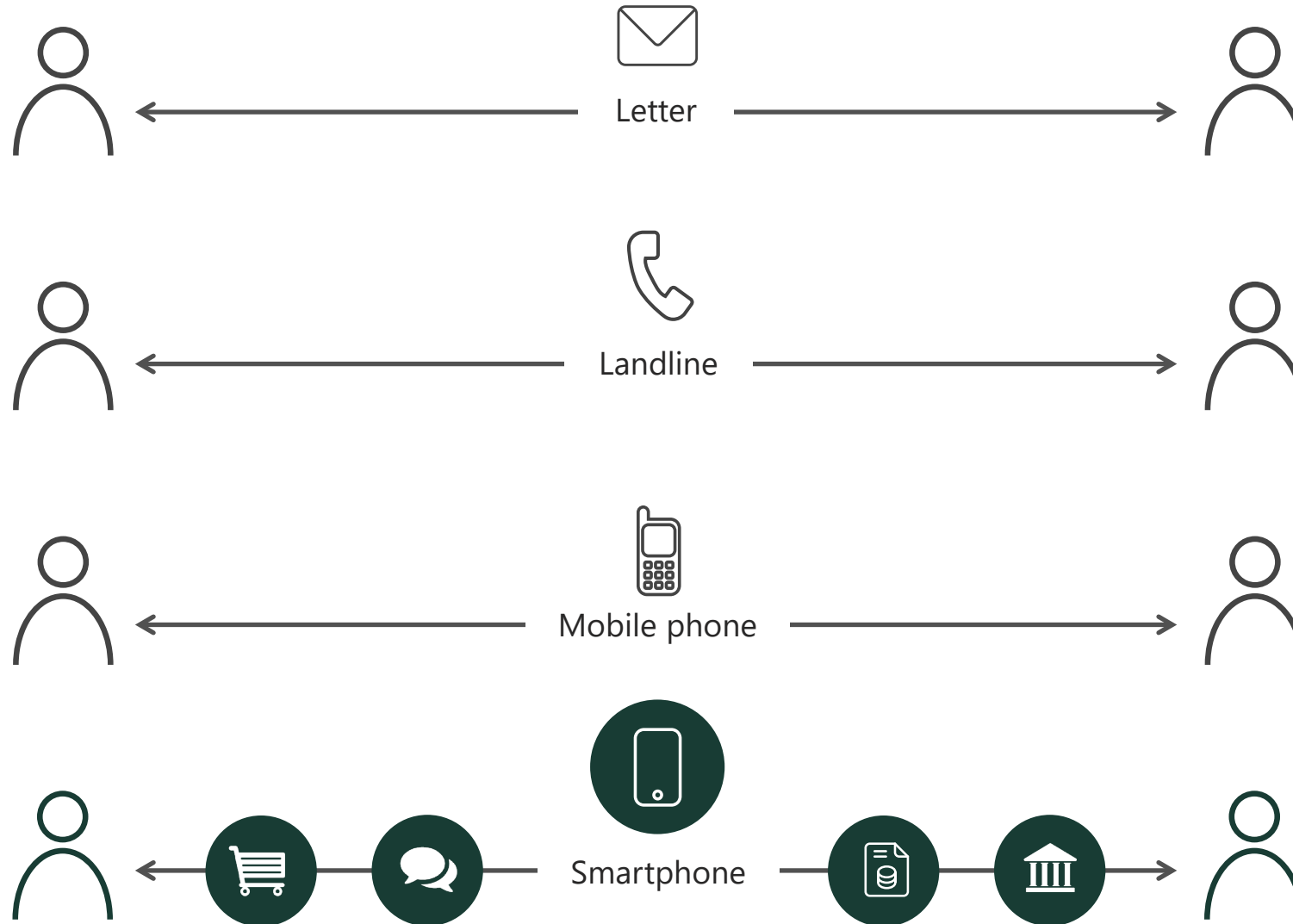
How can Pagero help?



One connection
– global reach

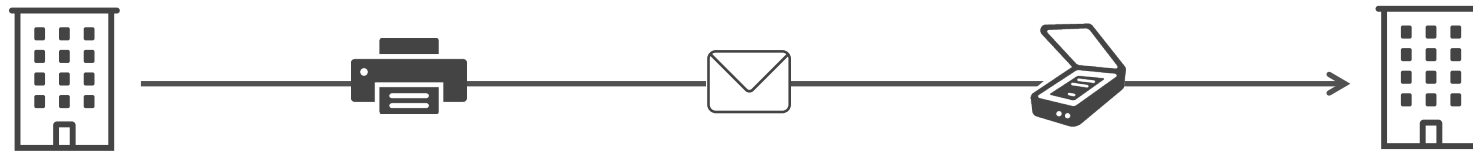
EVOLUTION OF DOCUMENT FLOWS

Manual vs Digital



Manual vs Digital

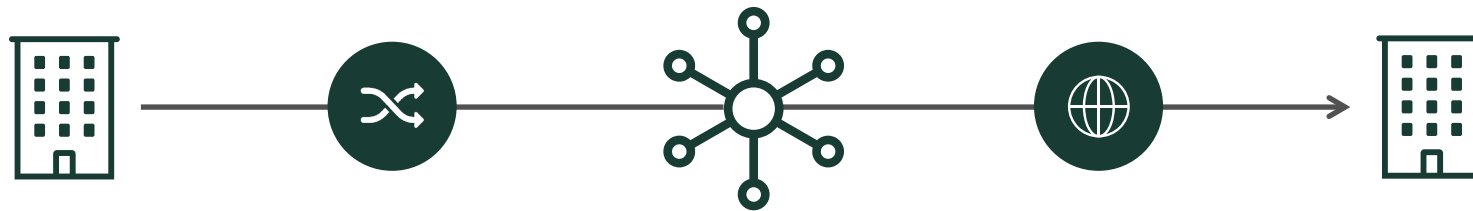
Manual document flow



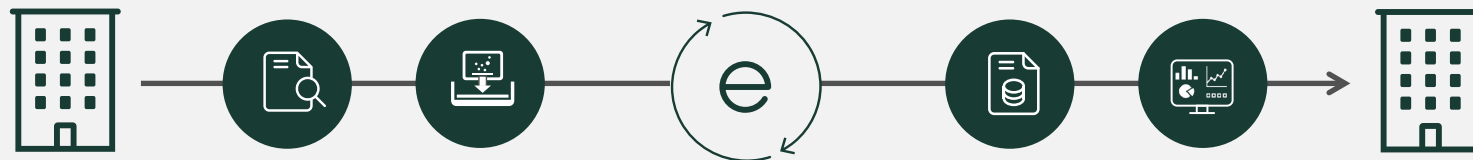
EDI



Business Network



Smart Business Network



VALUE OF COMPLETE DATA

Challenges



Connection

Different networks or connection needs



Multiple sources

Multiple ERPs, challenges across subsidiaries



Differing format and content requirements Depending on existing systems and legal requirements



Inaccurate / incomplete data

Inaccurate or incomplete data provides limited data into:

CPO/Procurement

What are we buying?

How much are we buying?

Are we buying at the right price?

Are we buying from the right vendor?

Where can we make cost savings?

CFO

Who did the purchase?

Is the purchase authorized?

Did my invoice reach my customer?

How do I get paid on-time?

Manual and incomplete data prevents organizations to reach:

Metrics and KPIs

Increase straight through processing by x %

100 % on time payment

Decrease overall processing time by x %

Decrease Shared service help desk tickets by X%

A grayscale photograph of a man in a white shirt, looking extremely tired or stressed. He is resting his head against the screen of an open laptop. The image is dimly lit, emphasizing a sense of fatigue. Overlaid on the image is the text "POOR DATA MAKES POOR DECISIONS" in large, white, bold, sans-serif capital letters.

**POOR DATA
MAKES POOR
DECISIONS**

Which processes are you Looking to improve through digitalization?

A

AP process

B

AR process

C

Both AP and AR process

D

We're already best in class

ACCOUNTS PAYABLE

DIGITAL TRENDS

Challenges

Accounts Payable



Resources spent on scanning & manually keying supplier invoices



Suppliers not fulfilling invoice requirements



Data Security, Reduce Risk



Supplier communication/Error handling



Visibility into Total Spend, Staying on Budget



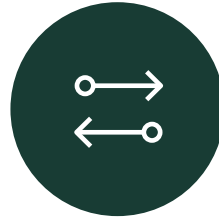
New Supplier Onboarding

AP Automation

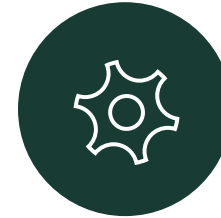
Eliminate manual invoice data entry



OCR



EDI



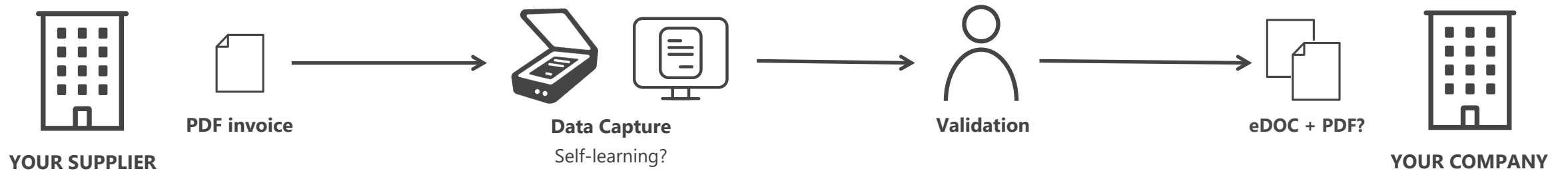
PORTAL



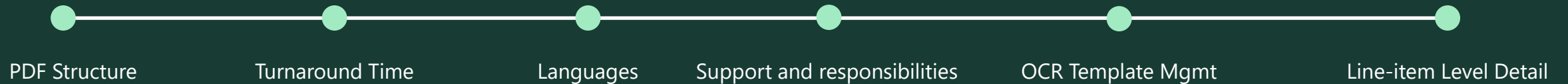
YOUR COMPANY

OCR process

Market options

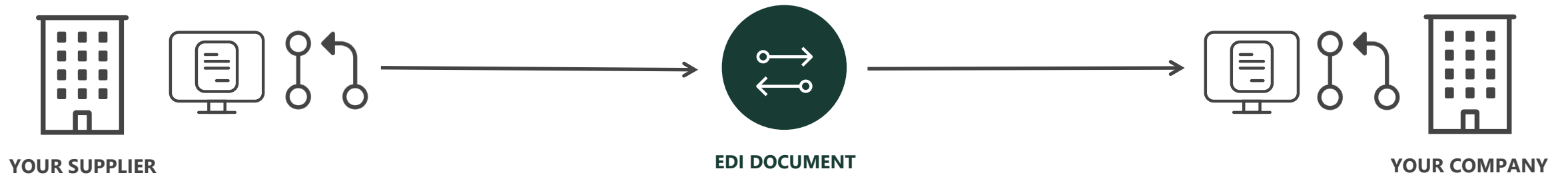


Questions to Ask



EDI process

Traditional vs. Latest trends



Questions to Ask

Supplier project availability

Project cost

Support and change management

of invoices

Formats and standards

Supplier invoice portal

Create & send e-Invoice

PO-flip

Check invoice status

BACK TO START

Recipient Details ▾

Customer Number [Edit](#) Organisation Number 98-0101376

Delivery Address [Edit](#) Invoice Address [Edit](#)
Shawcor Flexpipe Systems (US) LLC US

Invoice Details ▾

Invoice Number* Purchase Order Number

Invoice Date* Buyer Contact

Payment Terms Overdue Fine (%) Buyer Reference

Document Type
INVOICE, Debit

Recipient
Shawcor Flexpipe Systems (US) LLC

Summary ▾

Net Amount:	0.00 USD
Tax	0.00 USD
Amount to pay	0.00 USD

New Invoice

Recipient
Shawcor Flexpipe Systems (US) LLC, Composite Production Systems, USA ⌵

Invoice type
Debit ▾

Address
United States of America

Tax ID
98-0101376

Templates

Questions to Ask

User experience

Supplier enrollment/adoption

Supplier options?

PO-flip

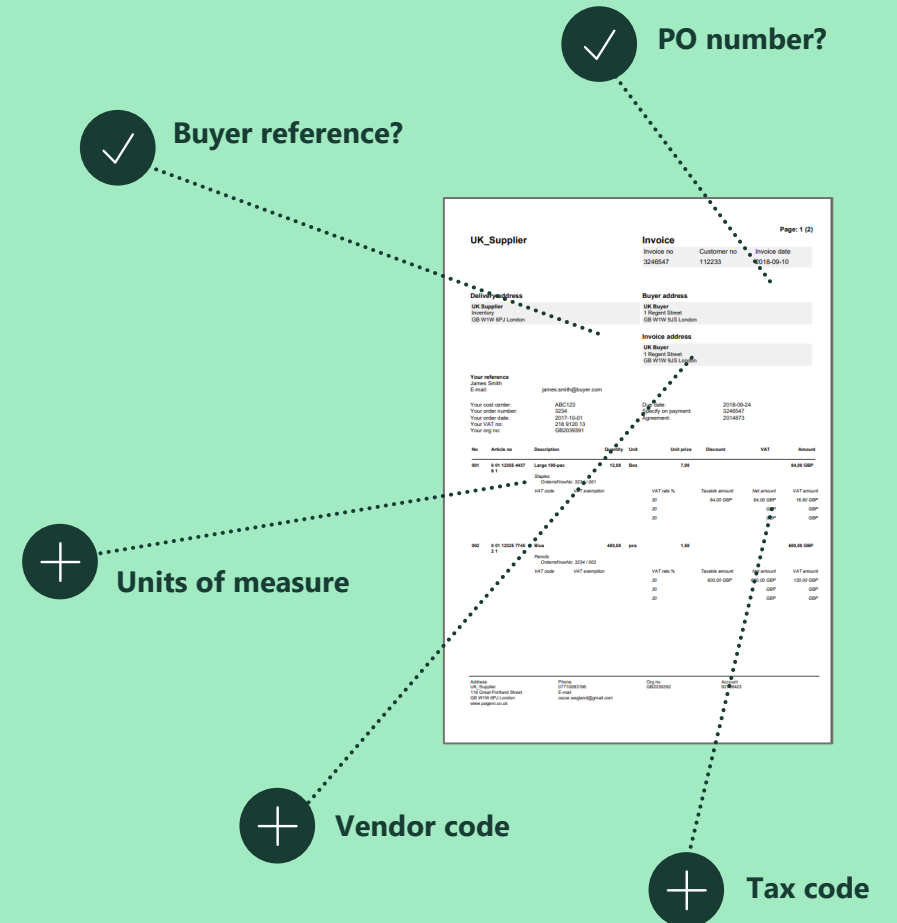
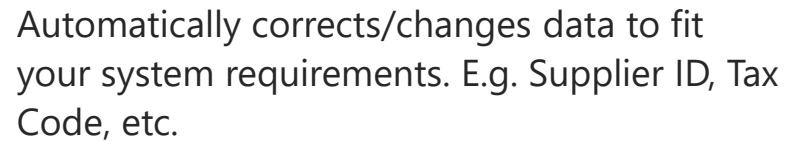
Formats and standards

WHAT TO LOOK FOR

Enable straight-through and touchless processing



Content Enrichment





Analytics



Real time

All documents transacted are indexed event based in the platform, documents are made available for analytics in real-time.



Line-level

All documents are indexed on line-level.



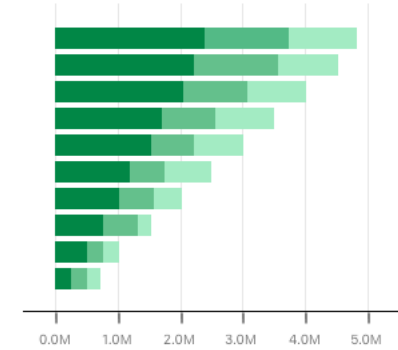
Company Group

Combine multi-company and analytics and be able view aggregated data in the Dashboard for the entire company group, regardless of formats/systems.

Top 10: Spend per customer

[View details](#)

Stenfloden Industriservice
Ridgeco
Trollmoj Entertainment
Moonlight Security
Rivershine
Smartstones
Walchner GMBH
Leopard Enterprises
Karmarts
Liquidity LLC



● Mint ● Sky ● Sky

Spend over time

[View details](#)



● This period

Supplier location(s)



● Supplier

What are you looking to improve in your AP process?

A

Save resources and reduce cost of invoice processing

B

Increase data accuracy and visibility

C

Reporting and analytics

D

All of the above

ACCOUNTS RECEIVABLE

DIGITAL TRENDS

Reduce DSO

Sales revenue

\$ 2 B USD

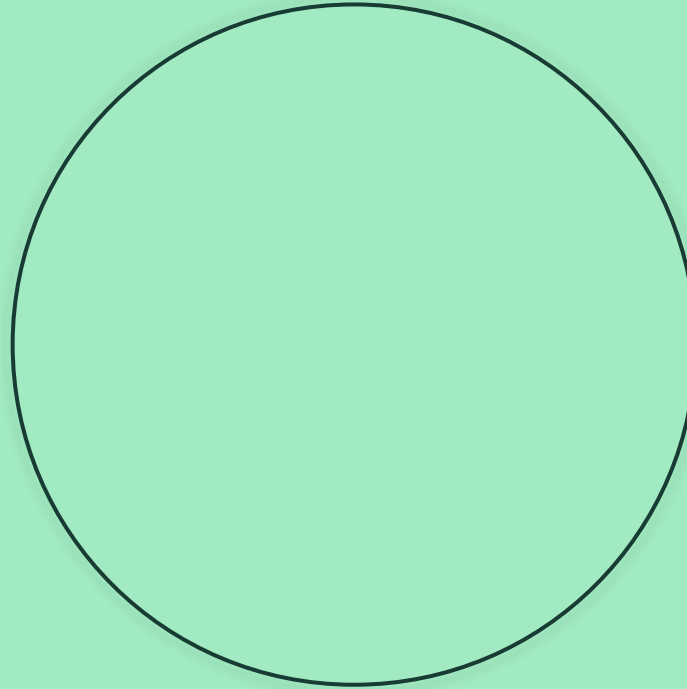


**Weighted average costs
of capital (WACC)**

12 %

Invoice to cash cycle

45 days



Working capital interest cost

Sales revenue

\$ 2 B USD



Working capital to fund cash cycle:

\$ 250 M USD

Working capital interest cost:

\$ 30 M USD



**Weighted average costs
of capital (WACC)**

12 %

Invoice to cash cycle

45 days

Working capital interest cost

Sales revenue

\$ 2 B USD



Improved invoice to cash cycle by:

- 9 days



**Weighted average costs
of capital (WACC)**

12 %

Invoice to cash cycle

~~45 days~~ 36 days

Working capital interest cost

Sales revenue

\$ 2 B USD



Improved invoice to cash cycle by:
- 9 days



Weighted average costs
of capital (WACC)

12 %

Invoice to cash cycle

~~45 days~~ 36 days

ANALYSIS OF COSTS AND SAVINGS WORKING CAPITAL

USD \$

% Electronic Documents	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Working Capital Requirements											
Current Working Capital	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342	246 575 342
Reduction in Working Capital	-	4 931 507	9 863 014	14 794 521	19 726 027	24 657 534	29 589 041	34 520 548	39 452 055	44 383 562	49 315 068
New Working Capital Requirements	246 575 342	241 643 836	236 712 329	231 780 822	226 849 315	221 917 808	216 986 301	212 054 795	207 123 288	202 191 781	197 260 274
Working Capital Interest Costs											
Current Working Capital Interest Costs	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041	29 589 041
New Working Capital Interest Cost	29 589 041	28 997 260	28 405 479	27 813 699	27 221 918	26 630 137	26 038 356	25 446 575	24 854 795	24 263 014	23 671 233
Savings with Pagero											
Working Capital Interest Savings	-	591 781	1 183 562	1 775 342	2 367 123	2 958 904	3 550 685	4 142 466	4 734 247	5 326 027	5 917 808
% Savings (working capital interest)	0,0%	2,0%	4,0%	6,0%	8,0%	10,0%	12,0%	14,0%	16,0%	18,0%	20,0%

Working capital interest cost

Sales revenue

\$ 2 B USD



Improved invoice to cash cycle by:
- 9 days



Weighted average costs
of capital (WACC)

12 %

Invoice to cash cycle

45 days - 36 days

ANALYSIS OF COSTS AND SAVINGS WORKING CAPITAL

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The trends of global invoicing



EDI

Traditional EDI:

- Mail, PDF → digital
- Are our customers asking for EDI?



Portal integration

Non-regulatory invoicing requirements:

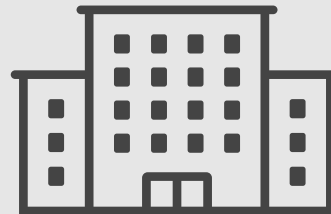
- Customer-specific AP portals
- Multiple P2P networks



Regulatory

Regulatory invoicing:

- Approved by government
- Government infrastructures
- Country-specific content requirements
- Archive and signing



**YOUR COMPANY/
SHARED SERVICE CENTER**

What are you looking to improve in your AR process?

A

Automate and standardize the billing process

B

Ability to quickly adapt to customer and country document requirements

C

Reduce the manual effort connecting to 3rd party portals

D

Reporting and analytics

E

All of the above

EDI process

Traditional vs. Latest trends



Questions to Ask

Supplier project availability

Project cost

Support

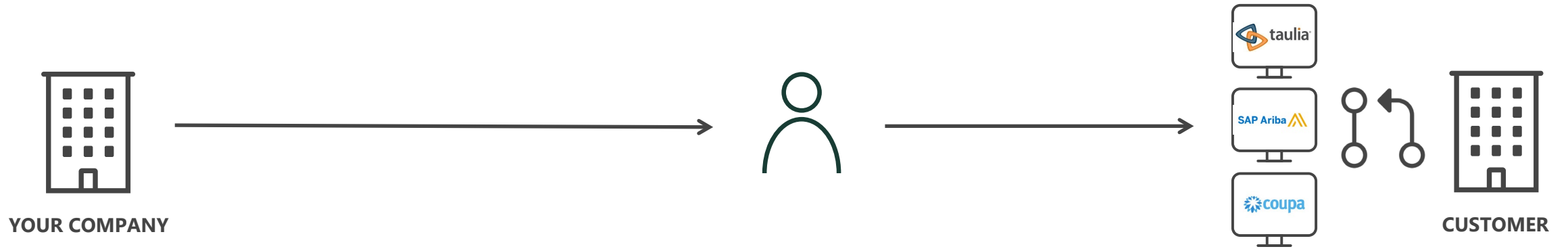
of invoices

Format

REDUCE TIME IN PORTALS

Portal integration

Latest trends

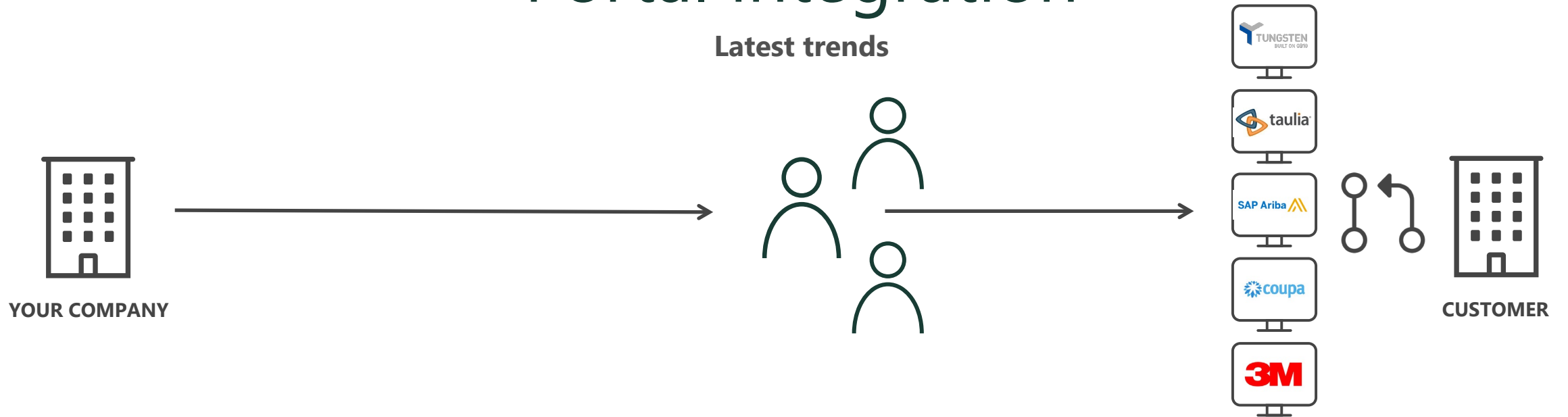


Questions to Ask



Portal integration

Latest trends



Questions to Ask



**COMPLY WITH REGULATORY
REQUIREMENTS**

CTC models

CTC = Continuous transaction controls



Interoperability

Fully digital exchange of any transaction documents via interoperability:

- EU Member States
- Australia
- Switzerland
- Russia



Centralized e-invoicing

Transactions in public procurement exchanged with a predefined infrastructure:

- EU Member States
- Italy and Spain
- Kazakhstan



Clearance

Approval of transactions pre-issuance and validation post-receipt:

- Chile
- Mexico
- Turkey
- India

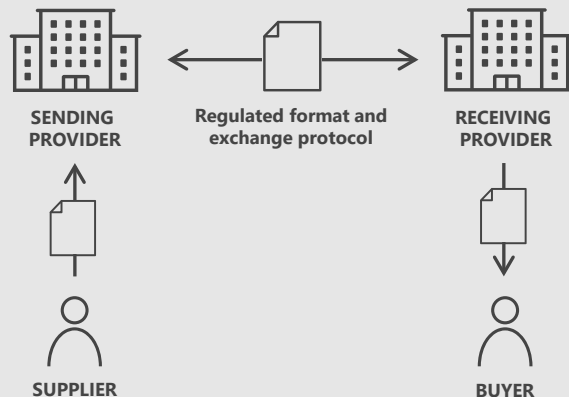


Real-time reporting

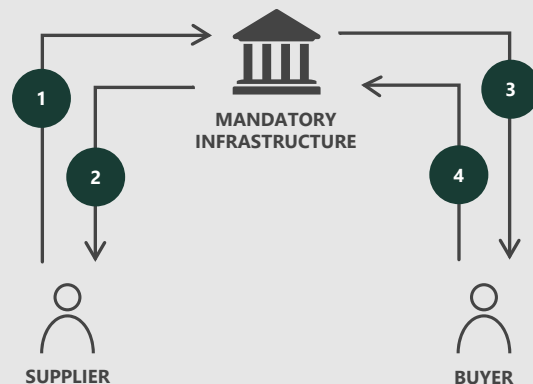
Submission of transactional data in near-time after issuance:

- Hungary
- South Korea
- Taiwan
- Greece

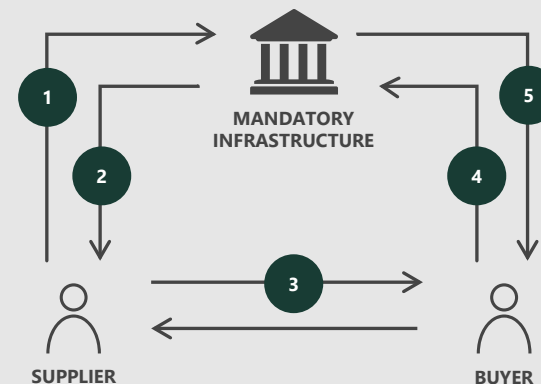
Variations: (1) domestic framework, and (2) Peppol framework



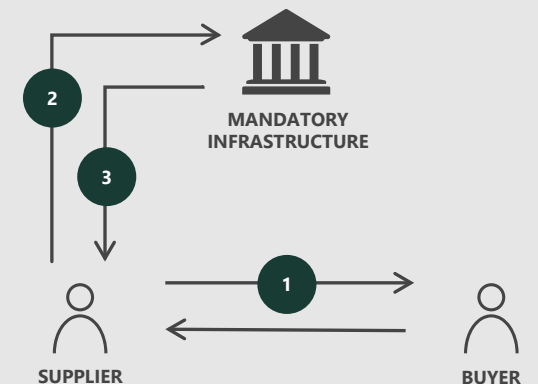
Variations: single infrastructure (1) with Peppol, and (2) without Peppol



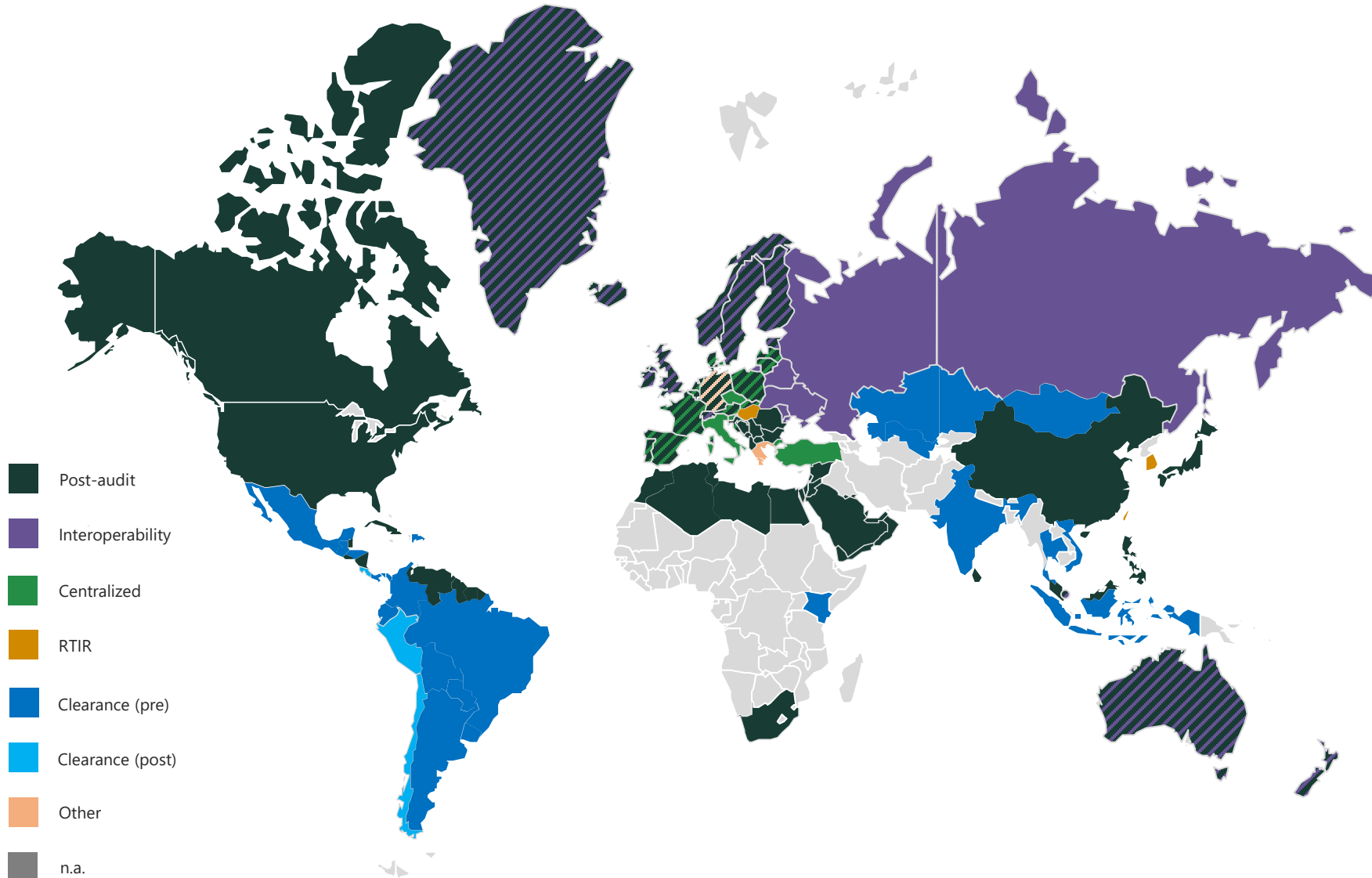
Variations: (1) hard/soft clearance, and (2) distributed/central clearance



Variations: (1) supplier only, and (2) both supplier and buyer



Global overview



- ✓ **Adaption of “true” e-invoicing is still low**
Structured formats like XML/EDIFACT vs. unstructured formats like PDF/JPG
- ✓ **Adaption drivers vary market-to-market**
Private sectors vs. governments
- ✓ **Drivers vary business-to-governments**
Efficiencies, cost savings, cost controls, predictability vs. tax collection
- ✓ **Archiving and digital signatures**
Local integrity and authenticity requirements very heavily between countries

Summary of expected developments

NORTH AMERICA

USA

Changes expected due to work of BPC

Canada

Likely to join the BPC framework

MIDDLE EAST & AFRICA

Egypt

Reviewing existing e-invoicing models

Jordan

Launched e-invoicing mandate RFP

Saudi Arabia

Expected to launch e-invoicing mandate RFI

Qatar

Considers CTC, exact model TBD

Israel

Announced CTC plans

Kenya

Testing hardware-based clearance

LATIN AMERICA

Bolivia, Dominican Republic, El Salvador, Panama

Introduce clearance model from 2020

EUROPE

Albania

Clearance planned from 01.2021

Denmark

Will mandate B2G e-order and e-catalogue from 2020/2021

Germany

Supplier B2G mandate from 11.2020

Greece

CTC planned from June 2020

France

Plan e-invoicing mandate 2023-25

Italy

E-order mandate, start from healthcare, 01.2021

Portugal

General invoicing changes from 01.2020 and supplier B2G mandate from 04.2020

Serbia

Considers e-invoicing mandate from 2021

ASIA PACIFIC

Australia, New Zealand, Singapore

Implemented country-wide Peppol

Malaysia

Expected to join Peppol

Vietnam

Proceeds with hard clearance model by 01.11.2020

Philippines

Plans to implement CTC in 2022

India

CTC starting from February 2021

Have you and your company dealt with regulatory/international invoice requirements?

A

Yes, all the time

B

Yes, once or twice

C

No, never

D

We have a partner for it, so we don't have to think about these things

HOW CAN PAGERO HELP?

Pagero's vision

One connection – global reach

We are committed to building the world's largest, open business network so that our customers can connect with any business partner, anywhere in the world.

One connection – global reach



Data accuracy



Global reach



Format independent



Local compliance



Real-time visibility

PURCHASE-TO-PAY

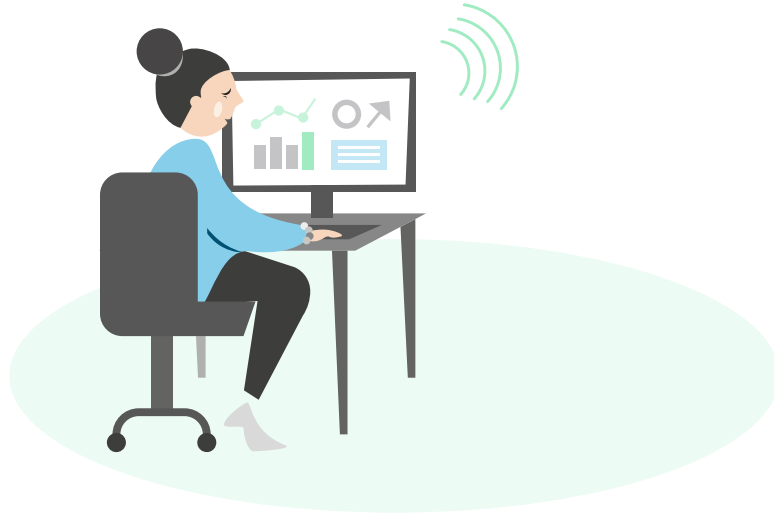
Simplify operations • Automate processes • Spend smarter

ORDER-TO-CASH

Harmonize order peaks • Improve customer service • Reduce cycle times



Digital trends



AP digital trends

Goal: Enable straight-through and touchless processing

- 1 Eliminate manual invoice entry
- 2 Access high quality data
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AR digital trends

Goal: Improve cash flows while reducing DSO

- 1 EDI is changing
- 2 Portal integrations
- 3 Comply with ever-changing requirements

A woman with blonde hair, wearing a white button-down shirt, stands by a large window. She is holding a teal mug with both hands and looking out the window with a thoughtful expression. The background shows a blurred cityscape and office interior.

QUESTIONS AND ANSWERS





PAGERO

Thank you!

www.pagero.com