

basware

## TOSHIBA RETAINS CUSTOMER WHILE CUTTING A/R COSTS



**Customer request for electronic invoicing was just the spur needed to encourage major manufacturer to go electronic. Basware solution leads to 75 percent drop in invoicing costs and plans to activate entire customer base.**

Sometimes you need a gentle nudge to get you moving in the right direction. For Toshiba TEC Germany Imaging Systems GmbH, that nudge came from one of its biggest customers.



Klaus Dieter Leifgen, IT manager at Toshiba TEC Germany Imaging Systems GmbH

### Activation program gets suppliers on the move

In early 2009, an important customer, one of Europe's biggest providers of security and facilities management services, informed Toshiba that they were moving to electronic invoicing and would be requiring e-invoicing transmission from the major suppliers.

That supplier message was the first step in the customer's activation program

managed by its purchase-to-pay solutions provider Basware. Basware works with customers' Accounts Payable departments to activate suppliers to start sending e-invoices. This service involves project management, supplier communication, solution presentation and ultimately the set-up of e-invoicing capabilities on the supplier side. Basware works with both the buyer and supplier organization to make the transition to e-invoicing as smooth and hassle-free as possible.

For Toshiba, one of the world's largest and best-known manufacturers of printers, copiers, scanners and other multi-functional imaging products, the activation message from the important customer was just the catalyst they needed to finally upgrade to e-invoicing.

"We knew for a long long time that we really needed to make the move to electronic invoicing, but we needed the kick to go ahead", says IT manager Klaus-Dieter Leifgen. "When the customer came to us we had the perfect business case for the technical and organizational changes."

### Customer satisfaction leads to cost savings

Cost savings were an obvious motivation. An internal study by Toshiba's internal postmaster found that by the time an invoice was printed, taken to the postal

#### Customer

Name

Toshiba TEC Germany Imaging Systems GmbH

Sector

Multi-functional imaging systems

Location

Global and Europe

#### Challenge

- Meet immediate customer requirement for e-invoicing
- Realise cost savings through more efficient processing of A/R
- Deploy a solution that can be scaled up to manage A/R and A/P across entire customer and supplier base

section, enveloped, stamped and sent to the post office for delivery, the total cost averaged a whopping €1.61 per invoice. A comparable electronic invoice costs a mere €0.40.

But cost savings were only the beginning. Far more important to Toshiba was the issue of customer satisfaction. The business with the important customer is worth around €80,000 a year to Toshiba. It's a good business and one they very much wanted to retain and grow.

Once Toshiba made the decision to move to electronic invoicing, it was necessary to choose a solutions provider. While Leifgen's team had been "impressed with [Basware's] responsiveness and professionalism" and during the supplier activation process found them "very easy to work with" they were determined to find a solution that would work not just for the specific customer but, eventually, their entire customer base.

## Flexibility is key in supporting business processes

"Because we had been introduced to them, Basware was definitely on the list," Leifgen says. "But we looked very closely at all the other options available to us. Finally we investigated Basware in the

market and decided that 'Yes, this is the right partner for us!'"

Key to the decision was Basware's capability to accept a wide range of e-invoice formats. This was important to Toshiba as the company has very few suppliers, but a great many customers. As customers do expect their suppliers to meet their needs and processes rather than the other way around, it was important to select a solution that was as flexible and adaptable as possible.

Toshiba deployed Basware Connectivity in late 2009 and, according to recent calculations, are experiencing a 75% savings in invoicing costs which should recoup their investment within three years.

"We're viewing this first project as a proof-of-concept," Leifgen says. "It's our chance to see if the Basware solution is easy to deploy, if it works, if it's easy to use and if we can use it for other customers. So far, the answer to all those questions is yes."

*"We looked very closely at all the other options available to us. Finally we investigated Basware in the market and decided that 'Yes, this is the right partner for us!'"*

Klaus Dieter Leifgen, IT manager at Toshiba TEC Germany Imaging Systems GmbH



## The journey

Phase 1:

### Respond to major customer's request for electronic invoicing

Met client requirement through deployment of Basware Connectivity services. Modest upfront investment is expected to pay for itself within three years.

Phase 2:

### Follow initial test by extending e-invoicing across entire enterprise

Used first customer as a test-bed and achieved outstanding results (including a 75% savings in invoicing costs). Deployment shown to be trouble free and scalability clearly demonstrated. Now feel confident to extend e-invoicing to other major customers.

Phase 3:

### Initiate first steps toward customer activation

Key customers identified and initial contact made to demonstrate benefits of electronic invoicing. E-invoicing capability is also seen as a sales strength and thus incorporated into new business proposals and tenders.

Phase 4

### Move towards automation of accounts payable

Toshiba currently considering invoice automation software solution to provide quick and safe shift to reception and processing of e-invoices. Also looking at related services such as supplier activation to encourage key vendors to begin e-invoicing.

## E-invoicing brings customers closer

Having proved the business value of e-invoicing, Toshiba is moving forward with Basware. They recently screened their top 30 customers and found that many of them are already Basware customers for receiving e-invoices. The sending of e-invoices to these customers is expected in the short term.

The company is also re-contacting customers who in the past have requested electronic invoicing, to let them know that Toshiba now offers that capability. As well, many tenders ask for electronic invoicing, so the company is now making that an integral part of any pitch for new business.

On the account management side, Leifgen's team have taken steps to educate the sales force about e-invoicing so they can promote it and demonstrate to customers how both parties can benefit.

Customer activation needs to be done strategically and Klaus-Dieter Leifgen expects to be contacting Basware for help developing a program.

*"Electronic payment and purchasing has clear business benefits. The more you get connected with your customers, the more likely it is that they will stay with you."*

Klaus Dieter Leifgen, IT manager at Toshiba  
TEC Germany Imaging Systems GmbH

## Basware solutions adopted

- ✓ Basware Connectivity Services
- ✓ Basware Business Transactions (including e-invoice exchange, digital signatures and invoice format conversion)

Basware is the global leader in purchase-to-pay solutions with more than 1,500 customers and 1,000,000 users in over 50 countries around the world. Basware solutions are distributed and implemented in Europe, the US, and Asia-Pacific through an extensive network of Basware offices and business partners.



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## TOSHIBA

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### About Toshiba TEC

Toshiba TEC Germany Imaging Systems GmbH is part of the globally operating Toshiba Corporation, active in various high-tech industrial sectors. Toshiba TEC is a leading supplier of information technology and office equipment products ranging from multifunctional print and copying devices (both monochrome and colour), to fax machines and digital document management products. Toshiba TEC Germany Imaging Systems is headquartered in Neuss, Germany, where all European business activities are managed and coordinated.

### About Toshiba Corporation

Toshiba is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products spanning information & communications systems; digital consumer products; electronic devices and components; power systems, including nuclear energy; industrial and social infrastructure systems; and home appliances. Toshiba was founded in 1875, and today operates a global network of more than 730 companies, with 199,000 employees worldwide and annual sales surpassing US\$67 billion.