

Benefits of using European Standards for eProcurement

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SFTI (Single Face To Industry) in Sweden



SFTI is a joint initiative to promote e-procurement



Lead by

- Swedish Association of Local Authorities and Regions (SALAR) and the government agencies;
- The Swedish National Financial Management Authority (ESV) and The National Agency for Public Procurement (Upphandlingsmyndigheten).



Cooperation public sector, together with enterprises and IT providers. All represented in the workinggroups and when recommending standards & guidelines.

Background

- The SFTI initiative started with strong support, but on voluntary basis
- 2008 came regulation: all Swedish government must be able to send and receive electronic invoices no later than July 1, 2008
- Can save 400 Million € in 5 years (ref.to pre study)
- From 2013 also mandatory to handle e-ordering (agencies with more than 50 employees).

Part of Swedish Action Plan for E-government – i2010

- But still not mandatory for municipalities and regions/county councils, even if most of them have e-ordering and e-invoicing

Mandatory e-invoices for whole public sector in Sweden?

- The Swedish government mandated in January 2015 the Swedish National Financial Management Authority (ESV) to investigate the possibilities of regulating mandatory e-invoicing to the whole public sector.
- In that case suppliers to **all** contracting authorities should send e-invoices.
- ESV presented a report in May 2015 with a recommendation that *suppliers to all Contracting authorities should send e-invoices.*
- The government now further investigate if suppliers shall send e-invoices to all public sector; analyses with costs and other consequences.

E-procurement today in figures

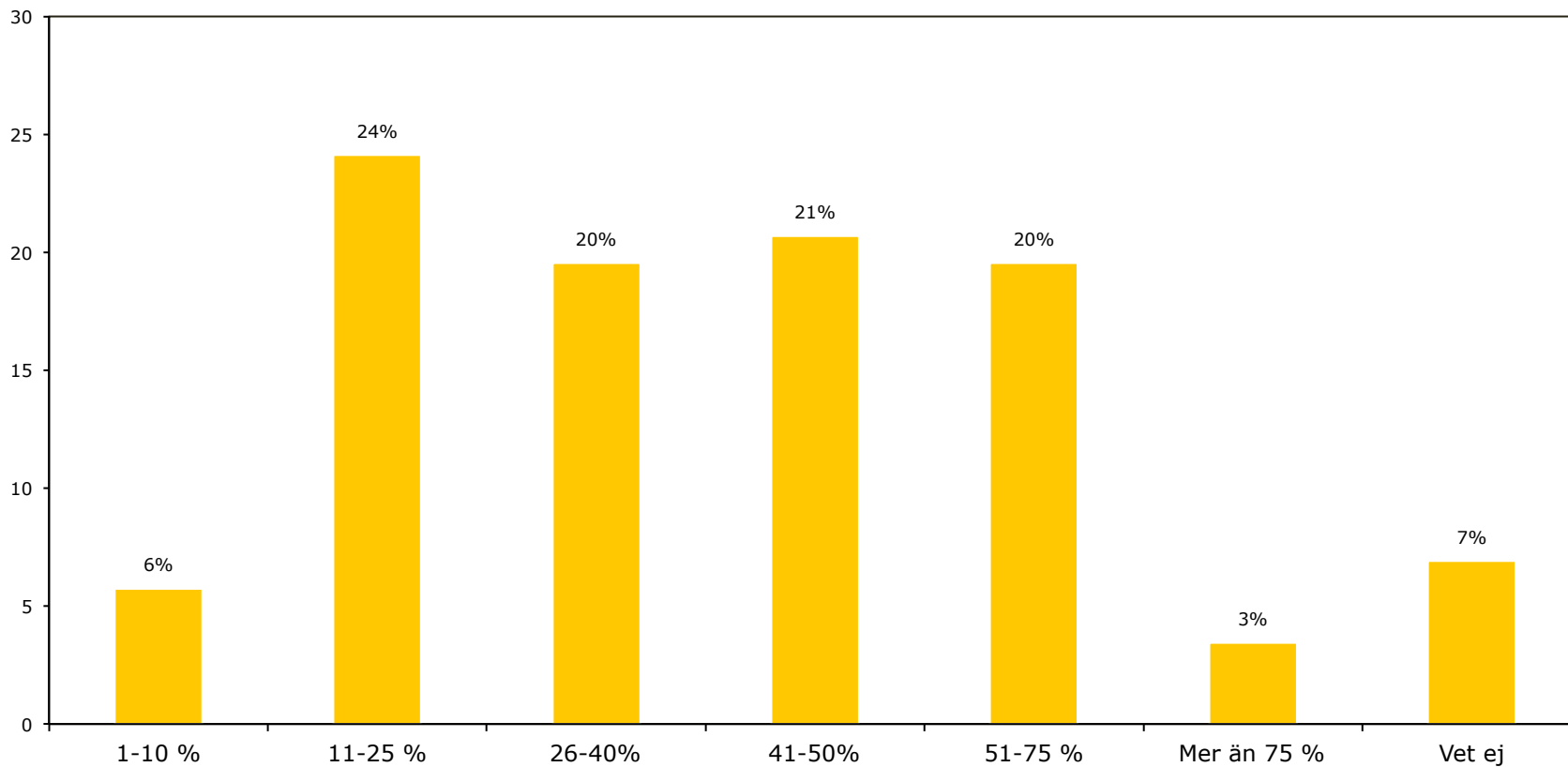
Even if voluntary for the local and regional level, many have started:

- Appr . 75 % of municipalities have **e-invoicing**, and more than half of these has **also e-ordering**. And 11 % consider starting up within a few years
- 95 % of the regions/county councils have **e-invoicing**
- 88 % of them also have **e-ordering**

- Appr 75 % of contracting authorities have **e-tendering**, which means appr 35% of the value of procured goods and services with e-tendering. (81%, but only 83 % answered the survey)

E-invoices in figures

How many in % of the invoices to the municipalities and regions are electronic? (structured e-invoices, not scanned or pdf-invoices)? Survey 2013



Recommended standard in Sweden

The usage of e-invoicing and e-procurement also means that the public sector use *the same standard* with their suppliers.

The standard for eProcurement messages is *recommended by SFTI*.

- Since 1998 we have had and still have many messages based on UN/Edifact format
- But after introducing XML format 2004 it has become more easy, especially for SME:s.
- The XML format chosen is UBL and usage of CENBII profiles.

Svefaktura; the Swedish e-invoice, 12 years

- The Svefaktura was developed 2004; we can now celebrate 12 years anniversary!
- Svefaktura is an e-invoice in XML format based on UBL.
- It became very easy to use and low costs för suppliers.
- The Svefaktura online validation portal is used to test more than 30 000 files a year – of course a minimal part compared to the production volumes



Recommended standard in Sweden

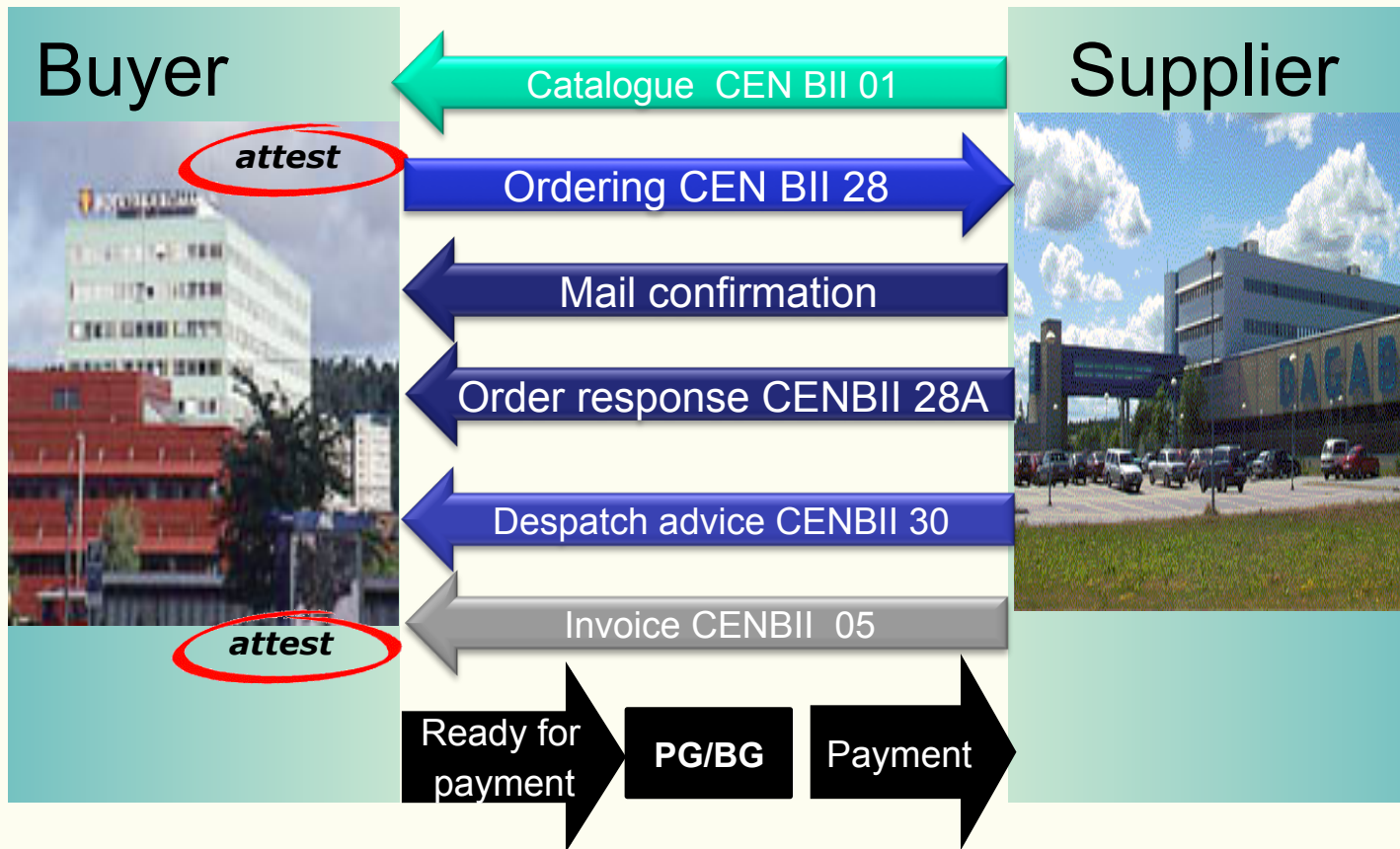
SFTI has continued with eProcurement messages in XML.

CENBII was initiated together with other countries and we became early adopters on the CENBII deliverables.

SFTI's Standards based on **CENBII and PEPPOL** are

- Catalogue (Profile BII 01 Catalogue Only)
- Order & Order Response (Profile BII 28 Ordering)
- Despatch Advice (Profile BII 30 Dispatch Advice)
- Invoice (Profile BII 05 Billing)

”SFTI Svehandel” process with CEN/BII deliverables



Next steps for recommended standard in Sweden?

- We need more webb-based order processes
- We will use the CENBII profiles **"Order agreement"** and **"Punch-out"** .
- As soon as they have become PEPPOLBIS messages we will recommend them as SFTI
- Next step to look at is also eTendering
- We have been active in CENBII for defining **pre award e-catalogues.**
- Why?

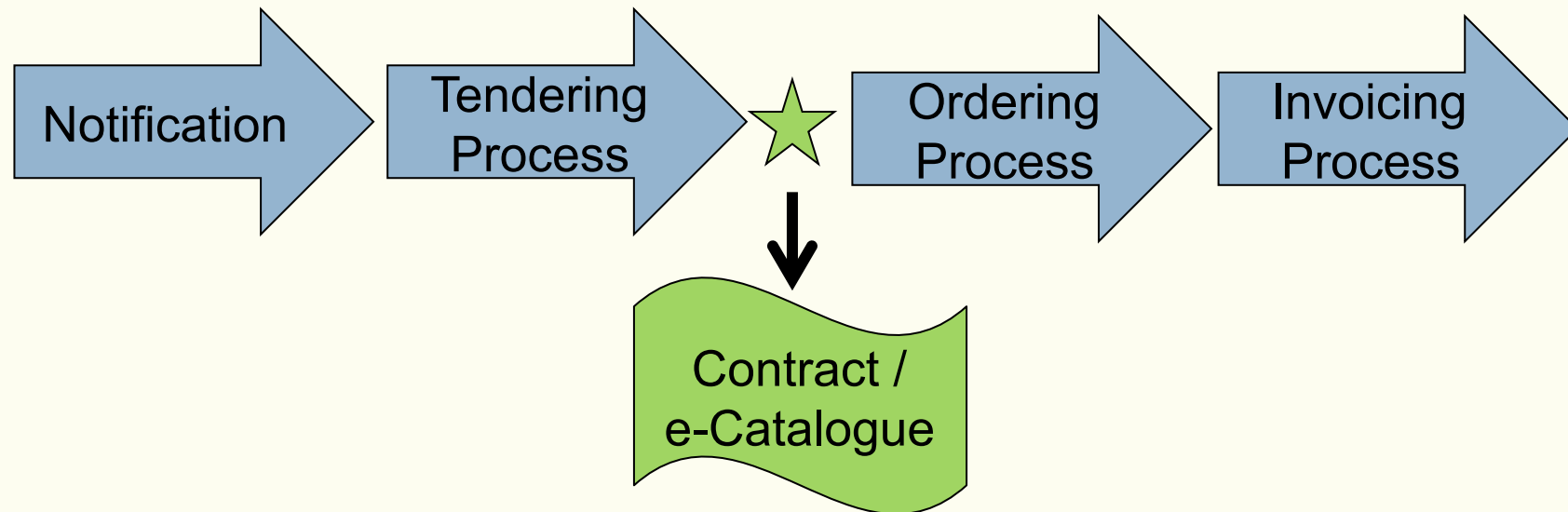
Tendering and wellfunctioning order-invoice process

Because:

- The result of an often costly tendering process is contracts, often framework agreements
- *The question is:* how to visualise the contracts to ensure that employees, in an often decentralised organisation, order
 - the correct goods and services,
 - to correct prices and
 - from the suppliers who won the contract!

A win-win situation for public sector and their suppliers

E-catalogues are "the bridge" between the tendering process and the order-invoice process



- We started with standards & promotion for e-ordering-e-invoice process
- We also support e-tendering process, but platforms instead of exchange of e-messages has so far lead to less standardisation activities
- Now we need to connect the pre and post award processes; e-catalogues are important!

Next steps for recommended standard in Sweden?

- So, we will initiate the work to prepare for a decision to recommend the pre award catalogue as a next step
- We already have a working group in SFTI for this since we participated in the CENBII work
- And we will recommend the "Order agreement" and "Punch-out" as soon as it is available; there is a clear demand for these profiles

SFTI recommendations

- We continue with more and more **specialised specifications** for different ordering processes; for example *to order medicin* requires special traceability and security.
- Also e-invoices related to the care of patient and *exchanging information between the regions* means special requirements related to data integrity.
- By using the Svefaktura BIS invoice and attachments this can be solved.

PEPPOL as recommended infrastructure

- SFTI recommend since November 2014 PEPPOL as infrastructure for public sector and their suppliers.

An analyse showed that:

- PEPPOL is expected to simplify adoption
 - It makes migration between service providers simpler and
 - It connects the Swedish community to Europe
-
- During 2016 we will focus to continue with information about usage of PEPPOL

Results of standardisation efforts

- E-invoicing and e-Procurement are increasing.
- The recommendation and usage of standard has been crucial.
- It facilitates for interoperability and many messages between many contracting authorities and many suppliers ("many to many")
- And keeps the costs lower.

But standardisation activities and good infrastructure is not enough!

- E-procurement needs political commitment
- Resources necessary
 - for procurement of IT-solution but also
 - training and education, support and preparing the organisation for the new way of working.
- And important involving enterprises and ICT sector early



Other initiatives in Sweden on policy level

- The government are preparing an action plan for e-procurement in Sweden.
- A national forum for eProcurement has been established since December 2015
- The joint initiative of SFTI continues and the standardisation work and a technical staff for support and further development is still seen as important

And of course:

- We will **continue with participation in Standardisation initiatives**; In Europe now the new TC 440

Conclusion: Recommending standard is fundamental

The standard must meet requirements based on

- European and national legislation *and*
- End-users needs and
- be based on international used syntaxes

CEN/BII deliverables meets these requirements, and works very well in our daily ordering-invoice processes in Sweden.

But recommending standard also needs support

So, SFTI gives

- support through the web-based validation tool,
- support from technical staff
- information and trainings for not only standard and technical issues, but also
- support for implementation in the organisations and
- supplier on boarding

The new way of working is efficient but needs to be communicated and accepted.

Some lessons learnt

- Usage of a standard is fundamental. It facilitates efficient processes for both contracting authorities and suppliers (especially SME:s) and lower the costs
- Strong leadership facilitates introduction and implementation of e-procurement in the organisations
- Clear benefits with e-procurement since better compliance with framework agreements and thus better prices
- Efficient e-procurement gives resources to the core activities

Thank you for your attention! Questions?

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