

Paper Invoicing Versus eInvoicing



Paper Invoicing

PROS

Paper invoicing is the conventional way to process invoices.

This means there's a well established delivery, matching, and approval process.

CONS

Paper invoicing takes longer to process.

Since paper invoices are processed manually, it takes much longer to process and settle invoices. This could seriously impede your cash flow.

Paper invoicing is error-prone.

More time is spent in AP on resolving problems related to invoice data entry and processing. This could lead to further delays in payment.

Paper invoicing is bad for the environment.

It leads to more paper usage and increases a business' carbon footprint.

Paper invoicing requires physical storage space.

Many jurisdictions require businesses to retain invoices for a certain period of time. If you're only processing paper invoices, you'll need a great deal of physical storage space.



eInvoicing

PROS

eInvoicing is cost-effective.

It costs businesses around \$30 to process a paper invoice, whereas it costs less than \$10 to process an eInvoice.

eInvoicing leads to fewer errors.

Making the data machine-readable removes the need to manually enter the info into an access point system. This leads to fewer errors in data entry.

eInvoicing is exchanged via the secure Peppol network.

The Peppol network's authentication and approval processes minimises your exposure to invoice fraud.

CONS

eInvoicing only works with B2B invoicing.

This means tax compliance can't be reinforced for B2C invoicing.

eInvoicing requires a major financial investment.

Integrating an eInvoicing solution into your ERP or accounting system will require a major financial investment. Some SMEs don't have the budget.