

EESPA and the service provider value proposition in the trading eco-system

This summary describes a collective view among EESPA Members as to how they create value for their customers, shareholders, employees and their wider stakeholders: these are all addressed as audiences by the service provider community supported by its trade association, EESPA.

Service providers play a distinctive role in capturing and exchanging transactions generated from multiple clients in many diverse sectors and with different levels of maturity and type of technology platform: **‘connecting heterogeneous worlds’**

The result is the delivery of tangible benefits to the global trading eco-system:

1. Lowering trade barriers - by supporting the dematerialization and delivery of the full range of e-business transaction types

By supporting all transaction types (purchase orders, confirmations, despatch advices, goods receipt notes, invoices, payment orders) exchanged between trading partners, the full power of e-business and supply chain automation can be unleashed. Service providers that connect businesses irrespective of their technical capabilities or maturity, become the go-to-market intermediaries that enable private sector enterprises and public administrations to transact easily, securely and transparently with each other. Such users do not have to be connected to multiple solutions- all should be available in one service platform chosen by the client.

2. Lower trade barriers- through facilitating open data exchange

Transactional data can be conveyed seamlessly between service providers in a similar fashion to the telecommunications industry. The benefit of this is the creation of a larger pool of opportunities for users and providers alike instead of living in separate siloes or fighting for their own small ‘swamps’. With global reach we enable a trading environment with many fewer technical barriers. When working together as a community, it should be emphasized that the direction is towards streamlining service provider collaboration to accelerate true interoperability and to make the on-boarding and activation of clients even smoother and more transparent.

3. Lower trade barriers- by enabling discovery of customer identifiers and e-capabilities

By openly supporting the discovery of client identifiers and capabilities for e-document exchanges, service providers will open brand new business opportunities for clients, make it easier for them to trade, and enlarge the addressable market for business services. The open model is the only real way to accelerate business growth – based on true interoperability and within the scope of client preferences and mandates.

4. The value-added offered lies in the delivery of increasingly specialised processes and applications for the benefit of clients, not simply in the transport of transaction data.

The service providers’ core value proposition does not lie in the ability to transport data from Point A to Point B. This should work in a frictionless manner based on the technologies of the Internet. The value proposition lies in the actual value-added offered on top of the transaction: end-to-end interoperability, fiscal and contractual compliance, legal certainty, automation, security and integrity, validation, data transformation, analytics and spend visibility, traceability, financing.... Buying organizations are helped to reap and integrate the benefits of electronic procurement, and suppliers

are offered a range of on-boarding capabilities to access digital services so as to become fully interoperable with their customers, and improve the certainty and timeliness of payments due: in short peace of mind.

5. Service Providers facilitate reduced costs, increased efficiency, improved data quality

By digitizing Purchase-to-Pay (P2P) and Order-to-Cash (O2C) processes, service providers directly help businesses and public administrations, together with their suppliers, to reduce costs, increase efficiency and improve data quality and transparency. Poor or inadequate data and transaction information leads to poor decisions. By delivering accurate and real time data, service providers help businesses make better decisions and eliminate the need for re-keying and data cleansing projects, whilst reducing cost and risk. Both larger economic enterprises and small & medium-sized businesses receive such benefits as does society through enhanced competitiveness.

6. Supporting governments in their efforts to prevent tax fraud and evasion

Service providers already have an impact on improving tax collection by reducing indirect tax fraud and evasion and promoting efficiency through digitizing data and improving its accuracy and transparency. The industry has existing and proven technology platforms with networked linkages between them that tax authorities in different countries could leverage in order to more easily implement 'Continuous Transaction Controls' variously described as clearance models, real-time fiscal reporting etc. Contrary to the situation with legacy enterprise systems and software, service providers may more easily adapt to and keep up with new regulatory requirements in order to help business manage their tax exposures, whilst not making it too complex or costly for an individual taxpayer to comply. Service providers are experts in the transactional business and, along with the network effects of their collective capability, have a unique ability to deliver solutions to help business and tax authorities saddled with hugely heterogeneous legacy systems and contracted services. To play the role of good citizenship and offer truly accessible business solutions is good for society and feeds the development of sound and sustainable business practices.

7. Supporting the commitment of society to environmental goals, corporate social responsibility and the digital agenda

The service provider community delivers value to society through the elimination of paper, ink and paper processes, energy savings from less re-keying into computer terminals and reduced transport costs, the release of resources for more productive work, and a commitment to supporting publicly articulated policies for the creation of a sustainable digital eco-system. Such an eco-system will progressively improve the climate for all businesses, public bodies and society as a whole.