Australian Government
Australian Taxation Office
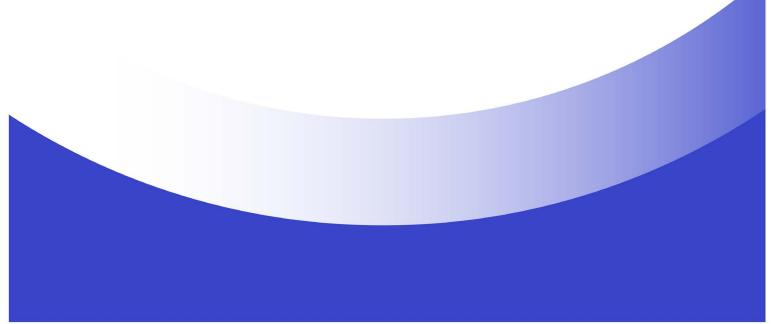
Large business supplier onboarding support

How to onboard suppliers and maximise the benefits of eInvoicing to your organisation.

Contents

Acknowledgment of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community.
We pay our respects to them, their cultures, and Elders past and present.

Overview

Note: We are still refining this content and would like to hear from you. Your insight will help create the best possible experience. Share your feedback by emailing einvoicing@ato.gov.au.

eInvoicing changes the way businesses receive and process invoices, and also how their suppliers send invoices.

If your business is eInvoice-enabled, or planning to become enabled, this guidance will help you to successfully onboard your suppliers. Use it to:

- prepare, prioritise and plan with our onboarding checklist (see Appendix 1)
- prepare for internal process changes, including staff training and internal communications (see Appendix 2)
- identify your suppliers and communicate with them (see Appendix 3).

This guidance is designed for people in medium to large entities involved with processing accounts payable (supplier) invoices, including:

- finance, particularly accounts payable
- procurement, contract or supplier account managers
- eInvoicing implementation project teams
- communications change teams.

Key onboarding principles

Top tips

- Use our onboarding checklist to prepare, prioritise and plan (see Appendix 1).
- Talk to your comms team early to develop your change communications (see Appendix 2).
- Identify and talk to suppliers that are ready to onboard with you (see Appendix 3).

These resources will help you prepare for internal process changes, including staff training and internal communications, as well as identify your suppliers and help you communicate with them.

The following principles will help make the changes easier for everyone:

- Plan onboarding as part of your technical implementation. Make it part of your roadmap.
- Partner with your finance and procurement teams and with other relevant business areas.
- Don't leave onboarding until the end. Engage and communicate with your suppliers early.
- Test for multiple scenarios and requirements with a small group of reliable suppliers before making it business as usual.
- Set targets and manage your supplier onboarding efforts.
- Look for opportunities to make eInvoicing the default channel for current and future contracts.

Step 1: Prepare and resource your eInvoicing changes

Top tips

- Identify an eInvoicing champion at the senior level to maintain focus and visibility on the change.
- Appoint a change manager to develop internal and external change strategies and plans.
- Ensure staff are given the necessary time and information to understand and implement required changes.
- Identify team members who can take responsibility for supporting internal staff and external suppliers, such as a change management support team.

Large buyers can benefit from planning and resourcing their onboarding activities. This can include:

- communicating with and encouraging suppliers to start sending their invoices via Peppol
- preparing for internal process changes, including staff training and communication
- providing clarity, confidence and certainty to staff around how their roles will change for the better.

Appoint a change manager

In some cases, supporting supplier onboarding may fall on existing accounts payable, contract and procurement teams. This can be challenging, as they already have a full workload and onboarding suppliers to eInvoicing often requires additional time and resources.

Change managers can partner with internal stakeholders and team leaders to:

- oversee the expected time, effort and resources needed to manage this task
- allocate resources as needed.

Change managers can develop internal and external change strategies and plans. They also ensure staff are informed of any impacts to the procure-to-pay process, from tender and contract documentation through to invoice approval, payment, and reconciliation.

This can be done by updating work procedures and providing clear communication to staff about when, why and how changes will happen. They will also give staff the opportunity to ask questions and contact someone for support and guidance.

Have change management support

It is important to:

- ensure staff are given the necessary time and information to understand and implement required changes
- identify team members who can take responsibility for supporting internal staff and external suppliers, such as a change management support team.

Having a dedicated person to engage and support staff through the eInvoicing changes allows the rest of the organisation to focus on their regular jobs while adapting to the new processes.

Maximise your eInvoicing investment

Embedding eInvoicing as a natural part of daily business operations will help maximise the return on your investment.

It is important to communicate to staff that eInvoicing will help to reduce manual and repetitive aspects of processing, allowing them to do more interesting and valuable work.

Identify an eInvoicing champion

While change can be met with resistance, when managed well it can also be an opportunity for innovation and improvements.

An eInvoicing champion, especially one with seniority in the organisation, can greatly enhance the effectiveness of the process by maintaining focus and visibility of the change and the reasons for it.

Step 2: Identify suppliers that can send eInvoices

Top tips

- Use the Peppol Directory to look up your suppliers – learn how to identify Australian entities already registered on the Peppol network.
- Use a trading partner look up tool – this is a helpful third-party tool, not maintained by the ATO.
- Read Appendix 3: Supplier onboarding tips for commonly used small business accounting software.

Part of your plan should include identifying quick wins, such as engaging suppliers that are already using eInvoice-ready accounting software. You can also use a trading partner look up tool – this is a helpful third-party tool, not maintained by the ATO.

Targeting suppliers that can start immediately will help build confidence in this new way of working.

Blanket communications with your suppliers can also be effective in:

- announcing your intention to begin eInvoicing
- asking suppliers if they have the capability to send.

Start by crosschecking your suppliers' ABNs against those already listed in the Peppol Directory. You can:

- identify Australian entities registered on the Peppol network and schedule regular checks for newly-listed suppliers
- talk with your service provider about including this in its regular service offering.

It is important to note the Peppol Directory only lists capability to receive Peppol documents, so some of your suppliers who can send but do not yet receive may not be listed.

At this stage it will also help you to read Appendix 3.

Step 3: Encourage your suppliers to start eInvoicing

Every business is unique, and onboarding suppliers is never a one-size-fits-all approach.

You should leverage your knowledge of and relationships with your suppliers to tailor your approach at the right time and in the right way to make a compelling case for them to switch.

Remember, it's OK to talk about how eInvoicing benefits you (the buyer), and that you want the support of your suppliers to help you realise those benefits.

The benefits

Top tips

- Every business is unique, and onboarding suppliers is never a one-size-fits-all approach.
- You should leverage your knowledge of and relationships with your suppliers to tailor your approach at the right time and in the right way to make a compelling case for them to switch.
- Remember, it's OK to talk about how eInvoicing benefits you (the buyer), and that you want the support of your suppliers to help you realise those benefits.

Most invoices are created via software that uses structured data. It makes sense for your suppliers to securely transmit the structured data directly into your software as an eInvoice.

eInvoicing saves your supplier the effort of creating a PDF image of the invoice data and emailing it to you. It also saves you the effort of having to manually convert that PDF back into structured data through either scanning or data entry.

Because eInvoicing uses the encrypted Peppol network to transmit messages, it helps protect against unauthorised access and email-based payment redirection scams.

It's important to let suppliers know the upsides to eInvoicing when encouraging them to onboard.

Table: Messages for suppliers

Benefits	Key message
Improved security by mitigating the risks of payment redirection scams and false billing – you can quote statistics such as those provided by Scamwatch.	Just because it hasn't happened to you doesn't mean it won't in the future. Also, buyers need to be protected from cyber risks too.
It's easy for most small businesses to use the eInvoicing capability in their existing software.	For most small businesses, the change is easy! You can do it right now and it doesn't take any effort.
We (the buyer) are making this change because it benefits us for these reasons [explain why]. We would love your support.	eInvoicing benefits everybody, including your other customers. By using eInvoicing, you're: • demonstrating your willingness to be a positive and supportive partner • strengthening your trading relationships.
Peppol enables end-to-end procure-to-pay process digitalisation for full automation, and is supported by government to boost economic productivity.	We won't be the only customers asking to use Peppol, and eInvoicing is only the beginning. Starting now will help you be a leader and be better prepared for the coming change.

Step 4: Supporting your suppliers

Top tips

- Identify, engage, and work with the appropriate people in your supplier's organisation.
- Understand your suppliers' eInvoicing solution, including what data it can and cannot send.
- Point them to ato.gov.au/eInvoicing to find out more about eInvoicing and its value to them.
- Ask your suppliers to take part in controlled testing where they can validate their solutions.

Identify and work with the right person in your supplier's organisation

In some organisations, there can be multiple people responsible for making the decision to switch to eInvoicing.

You may need to talk to your supplier contacts and ask them to escalate the request to start using eInvoicing to the right person. You may want to speak with their business's decision makers to discuss the benefits directly.

Understand your supplier's eInvoicing solution

Most businesses require certain data elements to process an invoice. You should ensure your supplier:

- understands your data requirements
- agrees to provide them directly in the eInvoice or in an attachment.

Some suppliers may have limitations to their accounting software. Your receiving solutions may also have some limitations. It is important you work with your suppliers to understand each other's software capability to find the best way for your systems to interact.

If you work with your suppliers to find the right balance of required data, you can minimise any potential impacts from changing your processes.

Supplier help and resources

Be prepared to help your suppliers when they send their first eInvoice. They may ask you: "How do I start?"

Providing help could include collating links to supporting web content provided by the software most used by suppliers (see Appendix 3).

Point them to ato.gov.au/eInvoicing to find out more about eInvoicing and its value to them.

This approach contributes to a positive experience for both you and your supplier. For you, it means less time spent responding to supplier enquiries. For suppliers, it makes the change to eInvoicing easier.

Test where possible

When large business suppliers become enabled to send eInvoices, it's common for them to test their new eInvoicing solution to ensure a smooth transition.

Some software solutions offer a test environment, and this should be used where it is available to both the buyer and supplier. However, one or both parties may not have access to a test environment and will need to test in a live environment.

You should support supplier testing wherever possible. Ask your suppliers to take part in controlled testing where they can validate their solutions.

Testing is an opportunity to ensure suppliers meet your requirements in a range of scenarios and circumstances. This helps facilitate smooth automation and minimise manual intervention.

In principle, 'testing' in a live environment should occur with live transactions, meaning 'test' invoices should be for provided goods and services. Communication is key when the first test eInvoice is sent. Make sure you follow up with confirmation that the eInvoice has been received as planned.

Appendix 1: Supplier onboarding checklist

Step 1: Prepare

Know your suppliers

- Develop your supplier list using your entity's procurement supplier master as a guide.
- Analyse your suppliers including:
  - how many invoices do they send?
  - which format – paper, PDF, EDI?
  - how often?
  - what types of purchasing arrangements or contracts are in place?

Know your business

- Identify your business's accounts payable and procurement touchpoints and contact details for your suppliers.
- Outline your business requirements for invoice processing and validation, in addition to the mandatory eInvoicing data elements.

Know the changes and impacts

- Make sure your change management and communication plans also include supplier onboarding actions and requirements.

Step 2: Segment and prioritise

Segment and prioritise suppliers

- Segment suppliers (for example, by invoice volume, transaction frequency, digital readiness, invoice handling requirements, organisational size, or by accounting software such as Xero and MYOB).
- Identify priority suppliers to onboard.

Step 3: Plan

Plan supplier onboarding (if your entity isn't yet eInvoicing enabled)

Progress supplier onboarding in parallel with technical implementation.

- Include sufficient supplier onboarding funding in your business case to maximise ROI.
- Include supplier onboarding as a Phase 1 deliverable in the Project Plan to ensure benefits can be realised early.
- Allocate a project resource to focus on supplier onboarding and internal change management.
- Incorporate supplier onboarding into change management and comms plans and in business/technical readiness assessments.
- Develop a phased supplier onboarding approach to achieve quick wins early.
- Establish a mechanism to monitor and measure onboarding activity (for example, how many suppliers have agreed to adopt and have started sending eInvoices).
- Consider outsourcing larger supplier onboarding work programs. To do this, include supplier onboarding as a business requirement when selecting a Peppol service provider (also known as an Access Point).

Step 4: Onboard

Engage and communicate

- Collaborate with key stakeholders to inform and guide tailored supplier engagement and communications (for example, finance (AP), procurement (contract mangers), project team, communications team, supplier account managers).
- Address key changes in supplier communications, including any new invoice data or formatting requirements, or actions required that will be different from how things are currently done.
- Define supplier-centric key messages, communication artefacts and engagement channels. Ensure these are reflected in the communications plan.
- Communicate with and engage suppliers as early as possible including working through contract managers and suppliers' account managers.

Test

- Test specific requirements with a test group of suppliers as part of onboarding.
- Communicate any additional organisation-specific invoice requirements to suppliers to ensure these are met when they send an eInvoice.

Ongoing procurement activities

- Update relevant procurement documents and templates to make eInvoicing the new normal.
- Include an eInvoicing preference into new procurement requests (for example, request for tender) as well as supplier panels and standing offer arrangements.
- Discuss eInvoicing capability with suppliers as part of contract reviews and/or renewals. Embed your eInvoicing preference in all renewed or new contracts.

Appendix 2: Supplier communication templates

Email 1: Advising you can receive eInvoices

Dear <name>

We're accepting eInvoices

eInvoicing is rolling out across Australia, with many businesses and government agencies becoming enabled to send and receive eInvoices. There are hundreds of thousands of businesses registered to receive eInvoices, and thousands registering every month.

<your business name/we> has/have moved to eInvoicing too and we prefer to receive eInvoices instead of PDFs. Receiving eInvoices means we'll be able to process and pay your invoice faster. In most cases we'll be able to pay your eInvoice within <X> working days.

To ensure we can receive and process your eInvoices

Please add our ABN <your business's ABN> into your system (you'll need this to address your eInvoices to us), and provide the following information with your eInvoices:

- a reference number for our purchase (purchase order number or contract number)
- contact email address or name of the contact person or team within our business (this will help us direct your eInvoice for faster approval)
- your contact email address or name (this will help us if we need to clarify something with you)
- your bank account number.

(Modify, delete, or add other requirements specific to your organisation)

What is eInvoicing and how does it benefit you?

eInvoicing is the new, standardised way to send and receive invoices via a secure network. It improves accuracy and security, reduces processing time and speeds up payments.

Access to the secure network is built into accounting software, so the invoice can be exchanged directly between a buyer's and supplier's accounting systems.

It doesn't matter what software is being used as long as it's connected to the secure network.

Once the eInvoice has been sent, it just shows up automatically in the receiver's accounting software ready to be checked, approved and paid.

With eInvoicing, businesses no longer need to generate paper-based or PDF invoices that must be printed, posted or emailed. Buyers no longer need to scan or enter these manually into their financial system.

Removing manual handling of your invoices:

- means they get to the right place (and don't get lost)
- prevents errors from happening.

This all helps to reduce delays in processing and paying your invoices.

Getting started

It's easy and quick to get started, and many software packages are eInvoice-ready.

If you use Xero, for help to start eInvoicing:

- see Xero's step-by-step instructions on how to register and receive an eInvoice
- learn how to send an eInvoice
- watch a Xero video clip to help you register.

If you use MYOB, for help to start eInvoicing see the:

- MYOB step-by-step guide on how to register for and send eInvoices
- MYOB step-by-step guide on receiving eInvoices.

If you use Reckon, for help to start eInvoicing see:

- how to get started with Reckon eInvoicing
- eInvoicing for Reckon One
- eInvoicing for Reckon Account Hosted.

If you do not use the above accounting software or do not use any accounting software, there are many free or low-cost eInvoicing-ready solutions.

We look forward to receiving your eInvoices instead of emailed PDF invoices as soon as you are ready.

Regards,

<Your signature>

Email 2: Remind suppliers that you can receive eInvoices

Dear <name>

Reminder – we're accepting eInvoices

You may recall we recently let you know that we have moved to eInvoicing. This is a reminder for you to send us eInvoices if you can, instead of emailed PDF invoices. Receiving eInvoices means we'll be able to process and pay your invoice faster. In most cases we'll be able to pay your invoice within <X> working days. It's a lot safer than using email too. eInvoicing uses a secure network and helps protect against scammers.

Are you ready?

Don't worry if you're not ready yet. You can still send us your emailed PDF invoices until you're ready to send eInvoices.

Please add our ABN <your business's ABN> into your system and provide the following information with your eInvoices:

- a reference number for our purchase (purchase order number or contract number)
- contact email address or name of the contact person or team within our business
- your contact email address or name
- your bank account number.

(Modify, delete or add other requirements specific to your organisation)

There's still time to get started

Now's the time to get started with eInvoicing. Take the first step today.

<Insert relevant copy from email 1>

We look forward to receiving your eInvoices instead of emailed PDF invoices as soon as you are ready.

Regards,

<Your signature>

Appendix 3: Supplier onboarding tips

All suppliers using Xero, MYOB and Reckon can use eInvoicing with a few simple mouse clicks. You can identify which of your suppliers are using this software to generate and send PDF invoices to your accounts payable inbox, and let them know you're ready to receive eInvoices from them instead of PDF invoices.

Here are some easy ways to help you identify which of your suppliers are using Xero, MYOB and Reckon.

Identify invoices sent from accounting software's generic email address

Invoices being sent from the cloud-based version of small business accounting software are sent from the following generic email addresses:

- AccountRight@apps.myob.com or similar email address for MYOB
- messaging-service@post.xero.com or similar for Xero
- accountshosted@reckon.com from Reckon.

Look for the common email templates

MYOB and Xero have email templates that the supplier can populate.

In the following example, note the generic email address at the top and 'Powered by MYOB' at the bottom.

Screenshot: MYOB email template example using MYOB AccountRight

Next is an example of a standard invoice email from a Xero user. Note the generic email address at the top.

Screenshot: Xero email template example

Check the format of the invoice number

Xero's invoice numbers start with the prefix INV- and then a series of numbers.

MYOB uses an 8-digit number. For example 0000001, 0000002, 00000003 and so on.

Guide to help your suppliers send eInvoices to your business

Use the following resources to support your suppliers to start sending you eInvoices.

Xero users

- Xero's step-by-step instructions on how to register and receive an eInvoice.
- Learn how to send an eInvoice.
- Watch a Xero video clip to help you register.

MYOB users

- MYOB's step-by-step guide on how to register for and send eInvoices.
- MYOB's step-by-step guide on receiving eInvoices.

Reckon users

- How to get started with Reckon eInvoicing.
- eInvoicing for Reckon One.
- eInvoicing for Reckon Account Hosted.