



Service Description – G-Cloud 6

Tungsten Network Invoicing and Spend Analytics Service

December 2014

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1. Why use our innovative services?

1.1 About us

Tungsten Network Ltd, formally OB10 Limited, is the global e-Invoicing network that streamlines the complex invoice-to-pay process to enable improved efficiency for the buyer and prompt payment for the supplier. Operational across Europe, the Americas and Asia, we can reduce the cost of invoice processing by 60% and deliver a positive ROI in less than a year.

Our network

Our ISAE3402 compliant network services 168,000 suppliers and processes over £110 billion in invoice transaction value per annum.

Buyer customers on the network include but are not limited to public sector bodies and corporate customers include Aviva, Cargill, Deutsche Lufthansa, General Motors, GlaxoSmithKline, HP, IBM, Imperial College London, Kellogg's, Motorola, Tesco, US Federal Government and Whirlpool.

We also partner with 9 out of the 12 major Business Process Outsourcers.

By adopting e-Invoicing you can act as a catalyst and role model together with large enterprises that are already major e-Invoicing adopters.

1.2 What is e-Invoicing?

True electronic invoicing, or e Invoicing, enables any supplier to send data from their accounting system to their buyer's accounting system. e-Invoicing removes the manual processing required with paper invoices.

Using our services printing, posting and receipting are eliminated, as are lost and delayed invoices. There are no data misread errors, we do not have to try and 'read' an image so the data captured is 100% accurate. We pre-validate data before we generate the legal invoice so that incorrect invoices are not delivered, and the supplier's invoice data is used to automatically populate the buyer's accounting system and generate a digitally signed PDF invoice image. This is the tax compliant invoice.

Tungsten Network sends the image to the buyer so that it can be stored locally or used for workflow purposes. In addition, we store all invoices in our archive. This is available online 24x7 to both the supplier and the buyer via our Portal. The Tungsten Portal is also a crucial destination site for suppliers to manage their invoices, consult the status of their invoices in the buyer's approval process and take early payment.

Broader adoption of e-Invoicing will bring benefits to both UK public sector organisations, and their suppliers.

Benefits to you	Benefits to your suppliers
<ul style="list-style-type: none"> • Eliminate manual data processing • Reduce or eliminate data errors • Enable compliance with regulations • Improve purchase order or contract compliance • Eliminate the processing of duplicate invoices and the duplicate processing of invoices • Remove the need to archive paper invoices (the current retention period in UK is six years) • Refocus staff on more valuable work • Reduce invoice fraud • Achieve more accurate, quicker reporting and audits • Improve payment-on-time metrics or enable early payments • Collate and store line-level invoice data to enable detailed analysis of spend variance • Support corporate social responsibility programmes 	<ul style="list-style-type: none"> • No delivery or print costs • Guaranteed, secure delivery • Automatic validation of invoices ensures errors are corrected early • Eliminate the potential for lost invoices • More predictable payment • Increase visibility of the payment process • Make fewer phone calls chasing payment updates • Improve days sales outstanding • Greater access to early payment and improved cash flow • Support corporate social responsibility programmes

Further cost savings are achieved through more efficient workflows, general process improvement and administrative efficiencies at all levels. At a minimum, greater transparency is built into the procure-to-pay cycle and supply chains become more stable.

1.3 e-Invoicing and e-procurement

One reason for the slow adoption of e-Invoicing to date in the public sector has been the historical tendency to merge e-Invoicing into much larger e-procurement transformation projects that can take years to roll out. Most successful e-Invoicing initiatives in both public and private sector have de-coupled themselves from group-wide procurement initiatives in order to gain the rapid implementation and supplier adoption needed to deliver quantifiable short-term success.

This 'partitioned' or 'modular' approach is exclusively focused on the automated transactional processes of linking purchase order to invoices to payments, that involve finite and relatively modest data flows received from successful suppliers; these flows are usually managed as an accounts payable or financial management process. Of course there has to be close cooperation with procurement colleagues at all stages.

By contrast pre-award e-procurement processes can involve a much larger number of tendering parties, complex purchasing frameworks and contract negotiations, which even in the most favourable circumstances cannot be fully automated. However, once the pivotal e-Invoice process has been established, it becomes an enabler for the implementation of full end-to-end e-procurement. It is important to make a distinction between the complex internal change management required to adopt full e-procurement with the comparatively straightforward step of adopting electronic invoicing. It is a matter of decision which path to take and there are examples of success with the full end to end approach, but our proposed modular strategy is respectfully offered as a pragmatic way of realising tangible savings to many public sector organisations in a short timeframe.

Electronic trading systems such as ours will deliver greater transparency of spend and simpler financial reporting right across government.

1.4 Public policy and standards

The adoption of e-Invoicing is a public priority for the European Union and Member States and is seen a significant contributor to both the Single Market and the Digital Agenda. A Directive on e-Invoicing in public procurement was recently passed in the European Parliament. Following its forthcoming adoption by the European Council, it will be available for transposition into Member State law.

The Directive calls for the preparation of a core invoice standard suitable for use in both the public and private sector. When completed by the relevant standardization body, it will become mandatory for all public authorities throughout the European Union to be able to receive invoices in this standard, and in effect require all such administrations to have a programme to implement e-Invoicing no later than 2018. Authorities will be free to continue with other e-invoicing standards and practices and also to continue with paper invoicing, but this move towards a common interoperable standard is a significant policy move and encouragement for the public sector to create a specific focus on this important money-saving opportunity.

Public authorities will not be advised to wait for the creation of this standard before taking steps to adopt e-Invoicing. Since the standard will be primarily a 'semantic standard' aimed to create a common definition of the key data elements in a core invoice it will become reflected in all the commonly used XML syntaxes, as a matter of course and since the semantic standard will be built in what already exists, adoption will be evolutionary and not require significant re-engineering of existing systems.

Tungsten Network is capable of supporting multiple standards and will follow this development with close engagement so that it will be fully supported within the e-Invoicing service set out below.

The Billentis e-Invoicing/e-Billing report 2013 estimates a minimum UK public sector saving of €4,400m per annum. A report prepared this year by the UK National e-Invoicing Forum estimates savings of £4-£6bn for the UK public sector.

1.5 Greening your accounting processes

The government wants to embed sustainable practices, from procurement through to delivery, encouraging suppliers to play their part.

Like the Government, environmental protection it is of great importance to Tungsten Network, it's been our mission to rid the world of paper invoices since 2000.

The Greening Government: ICT Strategy (HM Government, March 2011) recognises the need for each body to take the best approach to meet match their own unique situation. The implementation of e-Invoicing can be carried out by the smaller local authorities as well as central government departments. This means all organisations, regardless of their size, can start to reduce their reliance upon paper, the associated costs of its processing whilst protecting the environment.

The economic benefits of e-Invoicing are obvious drivers for change the environmental benefits of e-Invoicing are also significant. The elimination of just 1 million paper invoices will save:

- 3,000,000 sheets of paper, which saves 360 trees.
- Enough fuel to run the average car for 26,683 miles.
- Sufficient energy to run the average home for 127 months.
- 52 cubic metres of landfill space.
- 1,271 pounds of air pollutants.

1.6 Tungsten Network the best partner for e-Invoicing

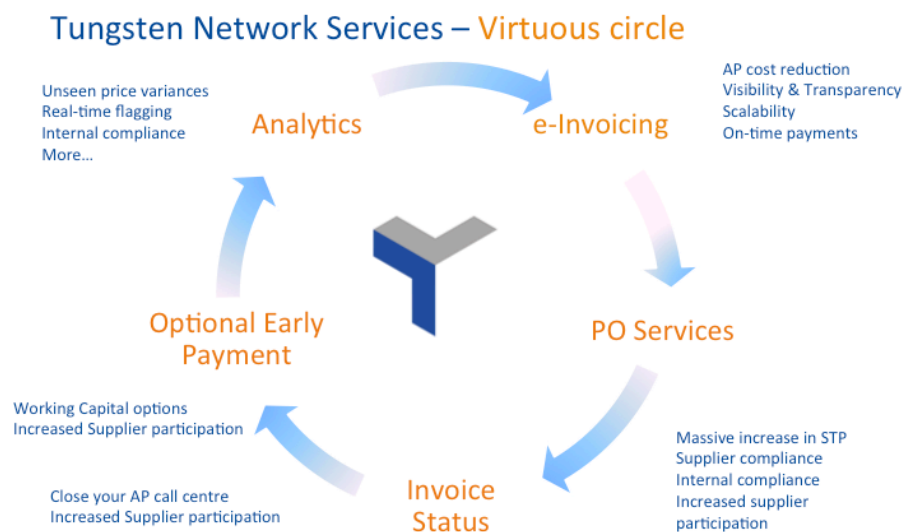


Figure 1 - Our virtuous circle illustrates the areas where we can help your teams

Tungsten Network is now offering the next generation of electronic invoicing integrated with real-time Analytics. We are proving on a global scale that this can generate very significant cost savings to our customers, by ensuring best pricing before a purchase order is raised and by easily and transparently identifying any pricing anomalies before an invoice gets into the system.

Our solution will allow you to retain control of their local purchasing decisions, whilst gaining even tighter control of your overall spending and make better decisions. At the same time you will benefit from central bulk purchase negotiations and having instant visibility of the best prices achieved across the entire organisation.

We propose the following:

1. Pre purchase services:
 - Supplier analysis
 - Purchase item analysis
 - Contract compliance with centrally negotiated best price (future roadmap)
2. Post purchase services:
 - Validation every invoice against buyers rules and legal rules.
 - Information all shared across your organisation
 - Invoice matching to purchase order

- Invoice price anomaly identification
- Central spend verification
- Historic cost recovery

Each of our services is described in further detail below.

Summary

Our tax compliant service is designed so that you and your suppliers can benefit from e-Invoicing. By selecting us you are not making businesses use certain platforms, imposing un-due costs or asking them to **customise your systems or install, train on, maintain, upgrade, or use any new software**. This is unique in the marketplace.

Potential savings from e-Invoicing of up to €11 per invoice for buyers and around €6 for suppliers, equates to at least a 60% saving over the cost of processing a paper invoice and 10 minutes of staff effort per invoice.

2. Technical service description

2.1 Service name and lot

Our service is called Tungsten Network electronic invoicing (e-Invoicing), Spend Analytics and Early Payment service and is offered under Lot 3 (SaaS) in the Unlisted and Analytics categories. This service description is supported by our Master Service Agreement and Statements of Work for each service.

2.2 How does it work?

Our services are used by thousands of organisations to streamline their invoice process. Through our network, suppliers send invoices directly to customers in their chosen format. Customers benefit from receiving legally compliant invoices directly into their accounting system.

Tungsten Network receives the invoice data from your supplier. It processes, translates, enriches and validates the data before creating the legally compliant invoice. The data is delivered to the buyer in their preferred format and the digitally signed invoice is delivered to the buyer and supplier, as well as the archive.

Our service provides an integrated invoice receipt; format, match and payment trigger process within your ERP environment.

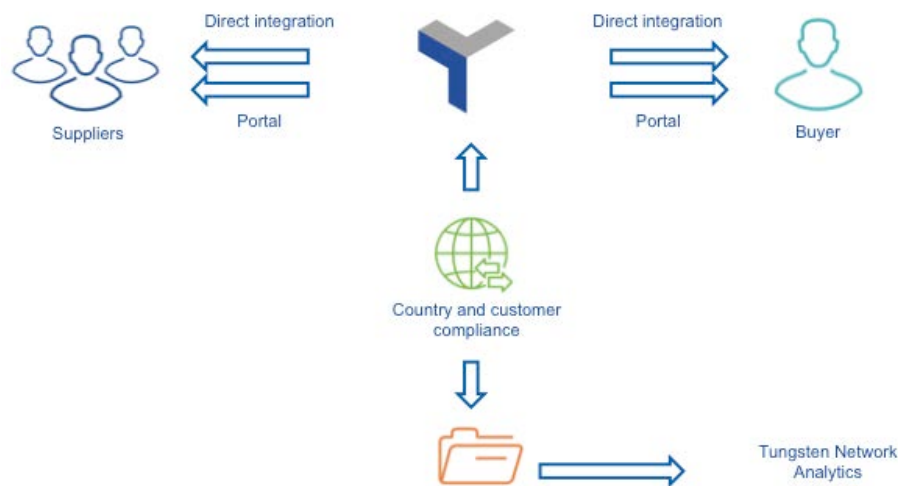


Figure 2 - E-Invoicing submission - Suppliers can send invoices however they want; you receive the data you require.

The Tungsten Network difference - Any to Any Data Formatting™

Our service is designed so that you and your suppliers can benefit from e-Invoicing without having to customise your systems or install, train on, maintain, upgrade, or use any new software.

A key principle of our proposition is our Any-to-Any Data Formatting™ capabilities, allowing clients to electronically transact irrespective of their own internal data formats or standards required by government. This is achieved through the use of unique, client specific profiles.

It is the combination of the sender's profile, our system's internal meta-invoice format and the receiver's profile that enables us to be format-independent.

Key elements of our compliant e-Invoicing service include:

- Data capture for invoices, credit notes and supporting attachments.
- Pre-delivery compliance checking to reduce errors and exception processing costs.
- PDF image creation and data archiving.
- Data enhancement and augmentation to streamline invoice processing and approval.

*We support the **Open Standards Principles** (HM Government, 2012) making it easy for any size business to send electronic invoices to your organisation in any digital, non-proprietary format. SMEs can use our portal whilst larger volume invoice senders can opt to integrate with us.*

- Data delivery.
- Online services for invoice status queries, reports and account administration.

2.3 What is provided as part of our services?

The following are all included as standard in our bundled price – there are no hidden costs, anything that is an additional charge has been described in our pricing schedule and listed as an optional service in our service description:

- Tungsten Invoicing: e-Invoicing, Purchase Order services, and Invoice Status Service and Web Portal.
- Spend Analytics.

In support of all services, we will provide you with:

- Implementation services;
- Comprehensive supplier onboarding services;
- Technical support.

2.3.1 Tungsten Invoicing

e-Invoice Submission

Your suppliers will use one of the following approaches to submit their invoices and credit notes:

- Integrated file transfer.
- Online via our simple to use Portal.

Data Delivery

We will deliver invoice and credit note data to you based on your specific requirements. You may specify:

- The routing of invoice and credit note data; you may route all data to a single system or you may need your data segregated and routed differently if you use multiple systems to process the data.
- The data format, layout, syntax and naming conventions we use.
- The method for delivery; e.g. we can deliver data directly to you or you can choose to collect data from Tungsten Network via your portal account. Your options are documented in our Connectivity Options document, which can be provided upon request.
- The frequency for delivery; we will connect according to a pre-agreed schedule. This can be based on timing or invoice volume.
- The content included in our delivery; we can deliver only the invoice and credit note data or we can also deliver the PDF images and any associated attachments submitted by your suppliers

*“Government IT must be open [...] to the people and organisations that use our services and open to any provider, regardless of their size.” **Francis Maude** (HM Government, 2012)*

If your invoice data is processed by multiple systems, you will establish routing rules that are used to determine which system will be processing the invoice and credit note data.

Web Portal

Both you and your suppliers will have a Portal account to:

- Access our archive.
- Query invoices and credit notes.
- Run ad-hoc reports on invoices and credit notes.
- Access online help and support.
- Manage your portal account.
- Manage selected vendor relationship settings.

Your suppliers will have access to a similar set of services and, for those who submit invoices online, we will provide additional services, including:

- Online entry of invoices or credit notes using our invoice entry template. We can customise our base-line template to meet your specific requirements.
- Creation of invoice templates; suppliers can create multiple partially completed invoices that can be recalled and finalised prior to submission.
- PO Convert; if you provide us your purchase order date, we can enable suppliers to automatically create an invoice using the data contained in your PO.

- Invoice Status Service to view the status of their invoices

Why use our portal?

You may already have a supplier portal in place, however unlike many ours allow your suppliers to process and view the status of their invoices for multiple buyers on our network and in the same portal they use for raising their invoices, rather than having to log on to many different single buyer portals.

Purchase Order Services

This allows us to perform 2-way match (invoice to PO) validations on invoice data created/submitted – before the legal invoice is created. When suppliers submit PO backed invoices, we can perform compliance checks to determine if the invoice data conforms to the specifications of your PO either exactly or within your specific tolerances. Additional data validations, data enrichment and augmentation can also be performed at the network level. These all combine to deliver invoices to the ERP that can be auto-vouchered for payment or placed into the appropriate exception workflow queues for downstream processing.

Our flexible approach enables you to implement only the purchase order services that you need in order to implement your ideal process. For example, the PO compliance check functionality does not require that you deliver your POs to your suppliers via the Tungsten Network. If you have an effective purchase order delivery process in place, you may choose to upload purchase order data to Tungsten for the sole purpose of compliance checking.

Invoice Status Service (ISS)

Our Invoice Status Service (ISS) enables all of your suppliers, regardless of the method they use to submit their invoices to you, to have full visibility 24x7 to the processing and payment status of their invoices; providing them with pertinent information from the time you receive the invoice through to the conclusion of your approval and payment process. ISS does not require that your suppliers submit your invoices electronically via Tungsten Network. They can use other methods to submit invoices such as EDI, paper, fax and email. If suppliers submit their invoices via the Tungsten Network, we will begin tracking the status as soon as we accept it for delivery to you. The invoice status service provides your suppliers with multiple ways of reviewing invoice status:

- Query details about a specific invoice or a group of related invoices.
- Display a graphical summary of all active invoices.
- Create, display and download a report of invoices.

Invoice status

Access the latest information about your invoice, including what happens next.

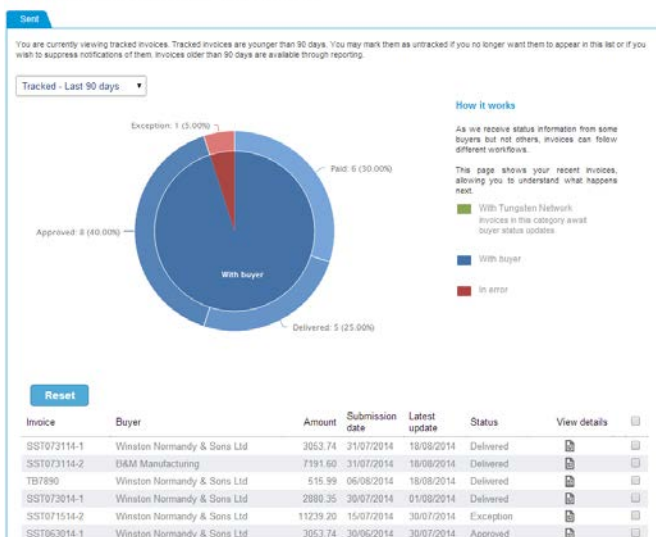


Figure 3: Our portal is easy to use, and our ISS is particularly popular with both Buyers and Suppliers alike.

With ISS, you send a file to the Tungsten Network containing up-to-date invoice approval processing and payment status information. The invoice status information will be sent to the Tungsten Network using your preferred communications method; Tungsten supports a comprehensive set of connectivity options

that are identified in the Tungsten Connectivity Options document will be provided at the start of the project.

You have full control over the frequency of the update (e.g., once a day, twice a day, weekly, etc.). We do not require that you send your invoice status in a specific format and layout. Instead, you will send Tungsten your invoice processing and payment status information using the standard format your systems use to export data.

The statuses we support are received, approved, paid, on hold, exception and rejection. Via the 20 optional fields we provide, your organisation can provide suppliers with very detailed statuses. For example, for the status invoice is in exception, the comment field can explain to a supplier that there is a goods receipt issue or price block etc.

For further detail please refer to the statement of works included with our terms and conditions.

2.3.2 Spend Analytics

Unlike any other service provider in the market place we provide spend analytics as part of our bundled service offering, with simple to understand pricing and a no quibble guarantee.

Tungsten Network is providing this service to your organisation because the drive to deliver high quality public services and to identify further opportunities to save money at the same time is critical. Is your team struggling to find where these savings can happen? Or maybe you have an idea where the savings need to be made but cannot access the level of information needed to prove them. Line-level insight is a way of finding this out, and your e-Invoice provides the opportunity.

Our powerful reporting and analysis tool will provide your organisation with:

- **Cost savings:** Analysis of real-time e-Invoice data on Tungsten Network can show per supplier spend and any price variances. Our conservative estimates are that you can save between 1-5% instantly.
- **Compliance:** e-Invoice line level analysis can drill down to original invoice
- **Supplier management:** Tungsten Network Analytics supports
 - Pre-purchase and pre-contract activity
 - Post-purchase and historical price comparisons

Your team will have the ability to analyse spend by supplier or item type in a way you have not been able to before. The more e-Invoices that go through the network, the more data is available and the greater opportunity for savings.

Tungsten Analytics:

- Is delivered, as a cloud solution requiring no local hardware or software; all that is required is an Internet browser and Internet connection.
- Provides reporting in close to real time; invoice data is refreshed every hour.
- Allows authorised staff to analyse supplier spend activity, across the complete supplier base or within pre-set constraints (to be agreed with you).
- Enables spending activity to be viewed as a whole, or cut by variety of combinations, including:
 - Time period;
 - Your Buyer accounts;
 - Supplier accounts;
 - Product information.

Application functionality

- Dashboards provide an instant overview of spending activity and can be customised.
- Data and reports can be exported to MS Excel for further analysis. Reports can be saved or 'bookmarked' for future or regular use.
- Your hierarchies can be uploaded to the database allowing reporting by category manager or other hierarchy (to be developed by Tungsten for your organisation).

*Tungsten Analytics will help you to meet the requirements for **Information Principle 6** (HM Government, December 2011) "Creating better value for money by providing an insight into how money is spent, encouraging departments to improve controls on spending and reduce their costs."*

- No technical skills are required by your team to use the application and no code creation is required by your staff.
- Data can be drilled down to the lowest level; to the original invoice itself.
- Daily and weekly price variance reports identify price variances as they happen, before you have even processed the invoice and long before the invoice is paid.

Delivery and implementation

- You can provide access to multiple users; while there is no limit on user access we recommend access by 50 – 100 users.
- The application can be made available within 48 hours.
- Training will be provided by Tungsten staff.

Responsibilities

Tungsten will:

- Set up users as required by your organisation.
- Maintain the application and data sources.
- Maintain the highest levels of data security.
- Ensure that the reporting speed and functionality is maintained so that you will not need to worry about hardware or software upgrades.
- Work with you to continuously develop and improve the application in accordance with your requirements.

“A new technology approach combined with existing network volume, line-level detail and throughput is the “secret sauce” in this case - the combination of the assets and customer network plus easy to use analytical “tools” is a game changer in the global analytics space.” – Spend Matters

2.3.3 Compliance with legislation

As well as providing standardised information that fits with your processes, we enable your trading partners to comply with all the regulations that relate to both e-Invoicing and e-Archiving. Invoices will comply with all laws that relate to e-Invoicing and e-Archiving such as commercial, civil and corporation tax laws - not just the local VAT laws.

The fact that we offer suppliers as well as buyers a service that handles compliance is a distinct advantage when enrolling them because many (particularly larger) companies are not prepared to invest in the infrastructure required for them to become compliant on their own. By using our services, we look after compliance for them and so remove a major obstacle to them participating.

Maintaining compliance

To ensure that our solution remains compliant in these ever-changing environments, we work directly with the various different legal authorities in each country, which usually gives us significant advance warning of the changes planned so we can prepare our service in line with our guarantee. We also work closely with PwC centrally and locally with their local tax, legal and fiscal experts to achieve the same.

We also work at governmental and policy-maker levels to influence changes in law to positively impact e-Invoicing and the ease of adoption. For example, we were the only e-Invoicing provider invited to be part of the EU Expert Committee for e-Invoicing, which was the major stakeholder in the most recent directive.

*We enable suppliers to submit legislatively and fiscally compliant invoices. This is in the spirit of **Principle 2 - Information is Managed** of the Information Principles (HM Government, December 2011)*

2.4 Optional Services

The following are not included in our bundled offer, however we would be happy to discuss your requirements further and how we can assist with the following:

2.4.1 Historic spend recovery

By providing us with access to historic spend data we will be able to assess if there are variances across your historic spend that could be recovered. This is a service we would need to talk to your organisation

about in further detail to understand if it is appropriate and possible for us to assist you with. Please do let us know if this is of interest. Pricing has been provided in our pricing schedule.

2.4.2 Invoice Data Capture or OCR Scanning

Accepting that we both share the goal to remove paper from your accounts payable process, should you wish to use our OCR or Invoice Data Capture services we can provide them to remove paper from your own processes. We will process the invoices and provide electronic data to your ERP in the same way that we provide all invoices. We would be happy to discuss your requirements further so we can define the most appropriate approach. Pricing has been given in our Pricing Schedule.

2.5 Information assurance

S1-1.1.2.1 Whether you hold a suitably scoped ISO27001 certificate for this G-Cloud Service.

S1-1.1.2.2 Relevant information surrounding your service in relation to the Government Security Classification (GSC) scheme

Our service is not IL accredited, but we are investigating whether this would be appropriate to do. However, data protection and security are important aspects of our business as we provide clients with the confidence that they need to transact across our network, and so we have pursued accreditation for our services. Any breach in our policies will be taken seriously and may result in action being taken including disciplinary procedures being invoked, up to and including dismissal. A copy of our security policies can be provided upon request.

ISAE4302: All our operations and data security are controlled and audited by PwC using the ISAE 3402 standard (replacing SAS70) so that our customers are assured of our security and compliance. ISAE 3402 is now the principal method for a third party to assure a service organisation's controls. Tungsten Network is one of the first companies to be audited to this strict standard. Our compliance office can provide a copy of the latest audit report upon request.

ISO27000: We are certified by LRQA and received certification in 2013. The formation certificate and report are available upon request.

2.6 Details of the level of backup/restore and disaster recovery that will be provided

As we offer a managed SaaS service, backup and disaster recovery is in the context of our own technical environments.

Our network is designed and built around a N+1 architecture. No core data storage or processing element is exposed to any single point of failure. Servers are backed up by second redundant nodes, disk storage is high specification RAID, and network appliances have failover nodes.

Our information assets are predominantly stored on the Production Environment and the Corporate Network infrastructure. It is essential that suitable measures are in place to protect these from accidental loss or deletion by providing proven backup and restore capabilities.

Our Data Backup Policy and Business Continuity Plan covers the following areas and can be provided on request:

- Backup method and types.
- Backup frequency.
- Media retention period.
- Media storage, security and disposal.

Our BCP plan refers to the following business critical aspects of Tungsten Network; production environment, information assets classified as level 2 or above, the office environment of all our business offices, and the corporate network.

Approaches

Tungsten Network uses a combination of backup approaches:

- Office data is encrypted and stored in AWS (Amazon).
- Production data for our EU datacentre is written to disk across our primary and secondary sites. Oracle Dataguard log-ships between the primary and backup site at least hourly and a monthly backup retained indefinitely enable system roll back or rebuild to any point in time in case of

catastrophic failure. This is the main repository for Client data and gives and RPO of less than 1 hour. Disk backup is also used on non-primary data sources as well as for the database to provide point-in-time recovery capabilities.

- Production data for US Centre is in a separate AWS zone.

All messaging queues are persistent and therefore recoverable in the event of restarts etc.

All aspects of our disaster recovery plans are covered by our ISAE3402 controls and independent audit.

The latest audit report from PwC can be provided upon request.

Recovery Testing

Our Governance and Compliance department initiates the testing process monthly by informing technical operations. Technical operations are responsible to perform the test and provide governance and compliance department the necessary evidence of success.

2.7 On-boarding and off-boarding processes/scope etc

On boarding

The biggest concern when making the change to e-Invoicing is the resource required to convert each individual supplier from paper to electronic. Unlike many providers, Tungsten Network works with you to minimise the amount of resource and effort required on your behalf during the project.

Our primary contact throughout the implementation is always our project manager. However, there are other key Tungsten project team members that will work directly on the project that you may come into contact with; these are detailed in the diagram below and include:

- Nominated project and service delivery managers.
- Technical resources as required during the implementation of your service.
- Supplier recruitment and on boarding – you do not have to carry this out yourselves.
- A customer relationship manager at an agreed point in the contract.
- Service level agreements and maintenance services.

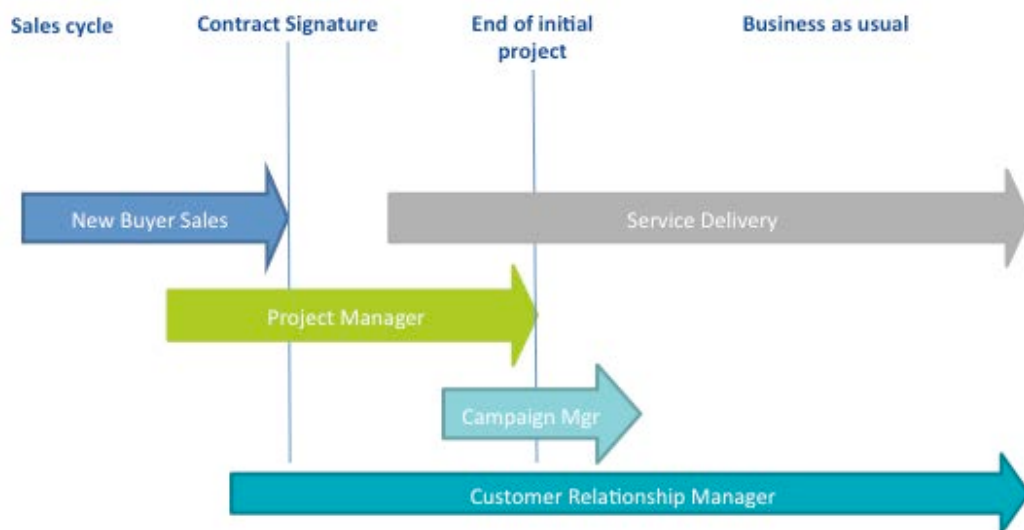


Figure 4 - The project team will become experts in your requirements and priorities; guiding you to a successful e-Invoicing implementation.

Time to implement

After contract signature we will agree a date to hold our project kick off as soon as possible. The normal deployment time is between two and a half and four months, including testing. However, we have taken large, complex multi-national customers live more rapidly in a month. The shortest implementation time we have seen is to date is three weeks for a large (pan-European) multi-national customer.

We can provide an overview and plan showing the technical implementation phases and how they are typically organised and where you (the Buyer) are required to assist.

We are happy to provide a much more detailed breakdown of milestones and deliverables on request.

Governance

Tungsten Network normally recommends a project governance and team organisation similar to that shown below. This structure can be adapted to fit with however clients wish to deploy e-Invoicing across its organisation.

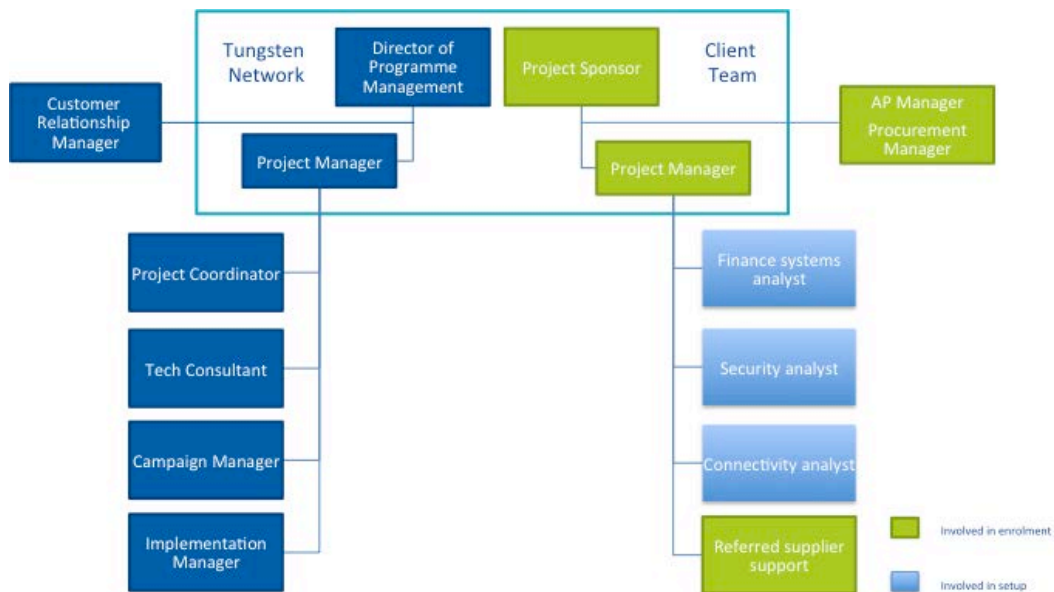


Figure 5: Our effective and proven project governance structure

Our Project Manager orchestrates all of our technical implementation and supplier enrolment resources for you. They will be in contact with you regularly and will become experts in your requirements and processes, advise on all key decisions, and assist with internal change management e.g. educating buying teams on the benefits of e-Invoicing.

At different stages of an implementation you will meet members of the technical and supplier enrolment teams that will enrol suppliers for you but will also be enrolling suppliers for other customers at the same time.

Resource Requirements

Each project has two work streams: technical setup and supplier enrolment.

In parallel with technical setup, the implementation phase of supplier enrolment consists of three distinct components:

- Supplier selection.
- Internal communications.
- External communications.

At the kick-off meeting our teams agree key dates, discuss responsibilities, agree on resource requirements and schedule activities within the programme. A plan will be agreed between both teams.

Following the implementation phase we proceed with supplier enrolment.

Supplier enrolment

We work with the suppliers to identify which solution is best for them. Also, we apply the same rules to the invoice; however the supplier sends these, allowing you to receive a consistent quality of invoice data.

Suppliers are segmented according to the number of invoices they send in order to tailor messages and campaigns as part of supplier on boarding. The way in which they communicate their invoice data to us is up to them i.e. a low volume supplier can still choose to integrate with our network rather than use the portal. Further information on how we segment suppliers can be found here: <http://www.tungsten-network.com/uk/en/knowledge-base/our-studies/>

"Submitting invoices online is simple and secure and crucially it offers the added bonus of helping us keep one of our valued clients happy."

**Allen Matthews, Founder
Glenammer Engineering Ltd**

Making it easy for SMEs to work with you

SME suppliers tend to prefer to use our portal, which provides an intuitive, user-friendly environment that users can personalise to suit their preferences for invoice submission, reporting, security, look and feel etc.

Each user has a home page with menu options and quick-links that they can select to determine which on-screen widgets are displayed based on their priorities.

They also have simple, useful context sensitive field / page / application level on-screen help and a help and support section with clear user guides and video guides. If they still have questions they can raise a support ticket from the portal or call our team. The portal enables customised messaging to suppliers on behalf of customers with a dedicated customer-specific area for you to communicate to your suppliers / groups of suppliers.

Suppliers can enter invoices online, or create templates for recurring invoices, or flip your PO if you provide it to us. The portal remembers key data such as contact names and product codes, so that the supplier can select from drop-down lists.

Off boarding

On completion of our contract we will cease our services as described in our contract, clauses of which pertain to data retention.

2.8 Service management details

Operating Hours

Tungsten Network is supported 24x7. Support issues are dealt with according to the severity of the problem.

Standard support is available: Americas 8:00 AM to 6:00 PM EST, Europe 8 AM to 6:00 PM GMT, and Asia Pacific 8:00 AM to 6:00 PM UTC. Call response during these hours has a target of 96% responded to within 20 seconds. Actual performance is higher than 98%.

Location of Service Centres

Support is provided through our support centres in London, Sofia, Atlanta and Kuala Lumpur.

Issue Resolution Times

The severity levels, maximum response times and target resolution times are:

- Severity 1 issues (service unavailable – all customers) responded to within 4 business hours. Target resolution 4 hours
- Severity 2 issues (service unavailable – single customer) responded to within 4 business hours. Target resolution 4 hours
- Severity 3 issues (service unavailable for transactions with 1 supplier) responded to in 8 hours. Target resolution 24 hours
- Severity 4 issues (other less severe issues) responded to in responded to in 2 days. Target resolution – 2 days, or possibly more depending on nature of issue.

Most of these types of issues are resolved same day. All support requests, whether these are created due to a phone call or online ticket, are logged in our central support system to provide efficient management, monitoring and analytics.

Languages Supported

It may be of interest where we provide-language support:

- On boarding and support: We on board your suppliers in English, French, German, Dutch, Portuguese, Italian, Spanish, Bulgarian, Polish, Hindi, Malay, Cantonese and Mandarin,
- User Interfaces / Portal: Our interfaces including all help text, user guides and help videos, are provided in local versions of English, French, Dutch, German, Italian, Portuguese, Spanish, Bulgarian and Polish.
- Data Exchange: The Tungsten network supports the exchange of data in all Latin, single-byte, double-byte and Cyrillic languages.

We add new languages based on customer requirements.

2.9 Service constraints (e.g. maintenance windows, level of customisation permitted, schedule for depreciation of functionality/features etc.)

Maintenance windows and release of services

We follow our internal service development roadmap and have new major releases quarterly with minor releases as required, usually monthly.

It is important to note that all releases are applied to our network by us. We manage every aspect of this. There is no system installation, maintenance, support, modification or upgrade for you to resource or complete.

We perform all minor and major upgrades. It is rare that any upgrades make the service unavailable to you but if there is any likelihood of that then you will be informed at least two weeks in advance. If there is any impact it is likely to be limited to the delivery of invoices to be unavailable for a short period of time (you can usually still send us data at this time). All upgrades are fully-tested and backwardly-compatible so there is no impact.

New functionality is available to you whenever you choose to take advantage of it i.e. an upgrade may make new services available but it is entirely up to you when you use them.

Customisation

Customisation in the context of our e-Invoicing service would mean as follows:

- Mapping of our service to your systems – this is carried out as standard post project kick off; this is completed by our staff and not yours.
- Customisation of the look at feel of our portal. This is possible and your administrator can choose what they wish your staff based on the access rights you wish to impose.

2.10 Service levels (e.g. performance, availability, support hours, severity definitions etc.)

SLAs will form part of our contract and will be agreed with you during negotiation. Service measurement is important from both a client and a Tungsten Network perspective so we track a number of metrics.

In addition to the ISAE 3402 controls and audits, our service delivery model, incorporates regular review points to monitor the success of the engagement and address any remedial actions required.

We provide performance service levels that are directly related to the success and quality of e-Invoicing for you including availability, processing speed and vendor enrolment success.

2.10.1 Technical service guarantees:

- Network availability: at least 98.5% available during core hours. Normal performance is > 99.7%
- Network performance: at least 98.5% of invoices are processed within 4 hours and 100% within 8 hours. Normal performance is > 99.9% within SLA and an average processing time of approx. 15 minutes.
- Data accuracy: We expect the invoices we create to exactly match the data submitted, and we expect the data we create for each customer's ERP system to be 100% as agreed. Normal performance is that this is 100% accurate.

2.10.2 Support targets

Customers rarely have an issue that requires a call to the support line. That operation is primarily for suppliers. We track issue response and resolution times. Based on severity level, our targets are:

- Call response during these hours has a target of 96% responded to within 20 seconds. Actual performance is higher than 98%
- Severity 1 issues (service unavailable – all customers) responded to within 4 business hours. Target resolution 4 hours
- Severity 2 issues (service unavailable – single customer) responded to within 4 business hours. Target resolution 4 hours
- Severity 3 issues (service unavailable for transactions with 1 vendor) responded to in 8 hours. Target resolution 24 hours

- Severity 4 issues (other less severe issues) responded to in 2 days. Target resolution – 2 days, or possibly more depending on nature of issue.

Most of these types of issues are resolved same day. All support requests, whether these are created due to a phone call or online ticket, are logged in our central support system to provide efficient management, monitoring and analytics.

2.10.3 Supplier enrolment guarantee

We provide a service level guarantee to convert enough suppliers so that at least 70% of your in-scope invoices are delivered fully electronically within two years with no paper involved. Our performance is normally above this.

2.11 Financial recompense model for not meeting service levels

This is included with in our terms and conditions of contract.

2.12 Training

Most buyer users and many supplier users never need to access to our network directly; they continue use the AP (e.g. ERP, workflow) and AR systems they are already familiar with and no Tungsten Network training is required for that- we connect to these systems in the background. In this way, suppliers and buyers maximise the investment they have made in their systems without having to install and learn new systems.

For buyer users that do need to understand Tungsten Network your Project Manager will work with you to define a training programme. This includes a variety of channels and venues, depending on the role and responsibility of the particular your staff, such as:

- One-on-one training, to understand how we integrate with your systems, or to demonstrate how an administrator can use the solution.
- Presentations to educate and train staff groups on the goals and parameters of the programme e.g. legal compliance, reporting etc.
- Online interactive web-training
- Formal training-room based training, tailored to specific roles and responsibilities of the attendees, on site or at our offices.

Even though we perform all the supplier engagement, it is inevitable that suppliers come to your staff with questions, so before we start onboarding your suppliers, we train your staff on how best to deal with queries they receive from suppliers. We will also support you with setting up communication tools, such as posters, Intranet pages and texts, desk drops, giveaways etc. to help educate your staff.

2.12.1 Supplier Training

Our expert supplier enrolment team manages supplier training. Most of the training happens during onboarding and testing and we provide one-on-one sessions, group online training programmes and "Town Hall" meetings with groups of suppliers. We provide suppliers with: ROI calculators, testimonial videos and case studies for suppliers similar to them, web presentations on legal requirements, and most of all, we spend the time with them that they require to get comfortable with e-Invoicing and agree to use it. We help suppliers through the first transactions they perform and we provide suppliers with extensive multi-lingual video support online.

Our business model means that we are directly motivated to maximise the number of electronic invoices sent to you and the number of suppliers that begin to send, and continue to send, invoices electronically.

2.13 Ordering and invoicing process

Should you have an enquiry regarding our service then please contact our Framework Manager who will act as the single point of contact for this agreement. Orders will be taken in accordance with the terms and conditions of the Framework Agreement, Call Off Agreement and our terms and conditions. Order Forms can be sent to anna.inman@tungsten-network and she will be in contact with you to discuss your order.

2.14 Termination terms

Termination is in accordance with the terms and conditions of the framework, call off agreement and our own terms.

We are happy to agree a contractual transition plan should you wish to terminate your contract at the end of our agreement. Typically the process would be as follows: we would contact vendors to inform them to stop sending invoices and we would wind down delivery in a controlled manner. We would deliver your invoices only resident in our archive; we would assist in an orderly transition off e-Invoicing or to another provider if you so wished.

2.15 Data restoration / service migration

Data restoration is carried out in accordance with our Business Continuity and Disaster Recovery plan.

Service migration, where you are moving from an incumbent e-Invoicing provider to Tungsten Network will be discussed as part of initial discussions with your team pre-contract. Post contract, our Project Managers will define and agree a plan and approach during programme kick off.

If service migration is in the context of moving from Tungsten Network to another supplier we will agree an action plan.

2.16 Customer responsibilities

Customer responsibilities for each of our services are detailed in our Master Service Agreements and supporting service specifications.

Supplier Onboarding

It is important to note that whilst we carry out 95% of the work required to implement your e-Invoicing service customers are required to provide adequate resources for programme governance, and ideally a strong mandate for adoption – without these the programme will not be as successful.

Non-Tungsten Network e-Invoicing projects often have low levels of supplier participation, particularly amongst higher-volume suppliers because there is little resource to convert and support them. We have had to 'recover' several customer projects like this.

We can provide details of the types of roles and time required for your project upon request.

Compliance

We validate all invoices for compliance with the laws of the country of issue in terms of form and the presence of required data.

We are not responsible for the commercial content, or the underlying commercial contract or its enforceability. These remain matters for supplier and buyer.

2.17 Technical requirements (service dependencies and detailed technical interfaces, e.g. client side requirements, bandwidth/latency requirements etc.)

The Tungsten Network service is specifically designed so that you can get the most value from the solutions you already have in place (ERP and workflow tools) without having to install, customise, maintain, upgrade, patch, train users on, or support any new hardware or software.

2.17.1 Network/connectivity requirements

Our network is normally loosely coupled to customer networks via file exchange, so the work required from your team to go live is focused on defining the data file specifications for receipt / delivery and the transport protocol (e.g. AS2, EDI, FTP, FTP (VPN) or SFTP.)

We will identify your connectivity requirements both during our initial pre-contract discussions and during programme kick off.

2.18 Details of any trial service available

Please refer to our pricing and terms and conditions where details are provided. Should you be interested in a trial/proof of concept of our service we would be happy to discuss your requirements; please contact our Framework Manager.

We can provide references where required of customers with similar size invoicing projects to your organisation.

Annex A – Subcontractors

Listed below are our company subcontractors, but we deliver our on boarding, e-Invoicing services ourselves.

Subcontractor	Location	Function
Computacenter UK Ltd	UK	Hosting and maintenance of the Tungsten Network
Luxoft Inc	US	Bespoke software development and software maintenance of the Tungsten Network
Client X	Bulgaria	Client support and technical implementation
DGH consulting ltd trading as pro dba.com	UK	Database maintenance and support for the Tungsten network
Well data limited	UK	Remote database support for the Tungsten network
Pardot LLC.	US	Marketing, automation and reporting services for supplier enrolment campaigns
Tungsten Network affiliates (OB10 Inc., OB10 sdn bhd, OB10 gmbh, OB10 eeod)	UK, US, Germany, Malaysia, Bulgaria	Various
Datalink uk ltd trading as holbi	UK	Technical services Re: Kayako ticketing/ support application
Clevertouch marketing ltd	UK	Data analysis
Trustweaver ab	Sweden	Digital signature, validation and time stamping services
Authentidate international ag	Germany	Digital signature, validation and time stamping services
Qliktech UK limited	UK	Reporting functionality on spend analytics product
Climber BI limited	UK	Spend analytics consultancy
Cloudbuy Plc, formerly @UK Plc	UK	Spend analytics consultancy
Amazon web services Inc	US	Hosting of spend analytics database in Ireland

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Annex B – Proven Experience - Client Case Studies

The best way to demonstrate why your organisation should work with us is through case studies. We have provided two but there are many more, along with video testimonials and webinars on our website <http://www.tungsten-network.com/uk/en/about-us/customers-and-case-studies/>

Imperial College London

Ranked by The Times Higher Education Supplement as a top-ten institution in the World University Rankings, Imperial College is a leading university for education and research in science, engineering and medicine, with particular regard to applications in industry, commerce and healthcare. Through interdisciplinary collaboration internally and externally, Imperial College brings together expertise to aid scientific advancement on a global scale.

Innovation and progression are at the heart of Imperial College's culture. As such, it is constantly looking for ways to improve processes and productivity, which includes the University's Accounts Payable workflow.

Challenge

An internal review of Accounts Payable highlighted inefficiencies and superfluous processes which could be improved to increase productivity and reduce costs.

The University's accounts payable system was entirely manual, processing 170,000 paper invoices each year. The finance team was required to key in, photocopy and re-post the invoices to administrators. As well as wasting paper, the procedure was expensive. The challenge for Imperial College was to find a way of automating the accounts payable process, which would reduce costs, speed up the payment process and remove the volumes of paper.

Solution

Imperial College reviewed various options and decided to switch to e-Invoicing to reach the set targets for improving the accounts payable process. Automation would provide a high level of matching, and streamline the internal authorisation process. Once this decision was made, Imperial College selected Tungsten Network, the global e-Invoicing network then known as OB10, as its solution partner to make the transition.

Benefits

By implementing electronic invoicing, Tungsten Network enabled Imperial College to switch 82% (140,000) of its invoices from being processed and stored manually to the new electronic platform. At the same time suppliers are notified via email whether their invoices have been successfully submitted or not. Tungsten also contributed to improve the authorisation process, which has reduced unnecessary administrative procedures. Moving to e-Invoicing has helped Imperial College to reduce its transactional costs.

Future

To further streamline the accounts payable process, Imperial College plans additional releases targeting invoices from its small volume suppliers. With the Web Form solution, allowing it to submit its invoices online, Tungsten Network enables Imperial College to target even the smallest supplier. Finally, this will help the institution to be more environmentally friendly by reducing the amount of paper and associated storage.

"We chose to work with Tungsten Network because they really seemed to understand what we were trying to achieve. They're an established company with an impressive track record of delivery; providing a solution that enables all of our suppliers, large and small, to send electronic invoices. Tungsten Network even looks after the Supplier Enrolment. We were especially impressed with the matching of invoices. Invoice data can now be automatically matched with purchase order line detail and the data is submitted directly into our accounting system. This eliminates all human input from the process and was the single biggest benefit for us.

With Tungsten Network we were able to achieve a 40% reduction in invoice processing costs. Further more we benefited from the single approach of the network for the receipt of invoices by integrating with Tungsten Network and leveraging existing systems."

John Whitlow, Director of Financial Services & Procurement

Scottish Water

Scottish Water, a publicly owned company providing water and waste water services to Scotland's 5 million household and business customers, hadn't initially considered electronic invoicing as a viable solution for its business given the relatively low volumes of invoices it processes. Despite the reservations, a compelling business case found in favour of implementing e-Invoicing through the Tungsten Network, built on OB10 e-Invoicing and today, Scottish Water is not only seeing improvements in compliance and payment on time but also a significant improvement in productivity that is expected to hit 60%.

Challenge

Scottish Water processes around 100,000 invoices annually, which, according to Scott Turkington, Financial Services Manager for Scottish Water, didn't seem to tip the scales in favour of electronic invoicing. *"Our Accounts Payable team has played an integral part in the company's drive to reduce costs and improve service, while increasing control. We already felt we had squeezed as much as we could in terms of productivity and, when it came to considering a technology solution for invoice payment, were not convinced that the numbers would stack up."*

Despite this concern, the team was determined to explore ways of ensuring world-class performance for customer service and productivity, and realised that automation was the missing link.

Proving the business case for the buyer

Divided into two work streams, the implementation stream developed the project's blueprint and took the process through its building, test and deployment phases. The onboarding stream focused on getting suppliers set up for e-Invoicing, running through the various phases of external and internal communications and training, analysing supplier data, and taking the project right through to getting suppliers enrolled and transacting.

...and for the supplier

The next challenge was to look at the business case for the supplier side. *"We surveyed 60 key suppliers to understand their cost of printing, sending and tracking a paper invoice,"* says Scott. *"The results surprised us as more than 60% of our suppliers told us that it cost between £1 and £3 to send a paper invoice. As a buyer we had been convinced that electronic invoicing would work with lower volumes and we now had the proof that there was not only a good business case for ourselves but also for our suppliers."*

Time to implement

Once Scottish Water had made the decision to go ahead, using Tungsten Network as its e-Invoicing provider, implementation began in April 2011 and went live, on budget and to specification, in August 2011.

One of the key factors behind the successful roll out, according to Jessie Guy-O'Regan, Account Manager at Tungsten, was, *"Scottish Water's willingness to engage from an early stage with its suppliers to share the business case and demonstrate that this was a solution that would bring them benefits."*

They rolled out tailored communications including face-to-face meetings with key suppliers, webinars, phone calls, letters and emails.

The results

The results have vindicated Scottish Water's decision that even with lower volumes of invoices, e-Invoicing can deliver significant savings by eliminating waste and inefficiency, improving compliance procedures, and driving greater value from the Accounts Payable team.

"Overall we are on track to deliver our business case in terms of cost and benefits, and I expect productivity to be up by 60% over two years, and unit costs down by at least 20%,"

And the secret behind such impressive results? "The key for us was to engage early with our suppliers, buyers, IT and Procurement departments, and ensure internal and external stakeholders understood the drivers and goals of the project."

Scott Turkington, Financial Services Manager for Scottish Water

What do our Suppliers say?

"At the simplest level, sending an invoice electronically with Tungsten Network costs us less than sending invoices by post - but other benefits are more compelling. Our invoices get guaranteed and speedy delivery and queries are registered more swiftly, which has the knock-on effect that we get paid without delay." **Jason Robson, Financial Controller, Poulton & Graf**

"As a small business, it is crucial for us to be paid promptly, something that Tungsten Network facilitates, letting us know that our invoices have been successfully delivered and are being processed. Submitting invoices online using Tungsten Network is simple and secure and crucially it offers the added bonus of helping us keep one of our valued clients happy." **Allen Matthews, Founder Glenammer Engineering Ltd**

"Joining the network was not a problem - it was quite a simple decision for us. There was no new hardware or software required and obviously no expense; it was quite an easy changeover." **Finance Director, J&A Engineering**

"There was a postal dispute in our city, and nothing was getting through. I know that without Tungsten Network, we would have been in trouble." **Finance Director, Fine Print Services**

"When we received the letter from Barclays, we agreed straight away that it made sense to adopt e-Invoicing. Shortly afterwards I spoke directly to Tungsten Network and a representative of their support team talked me through the process of activating an Tungsten Network account. Tungsten Network was extremely helpful, and the service proved to be really easy to use." **Finance Director, Jayne Murphy, City Centre Fruit and Veg**

"Lyreco have been using Tungsten Network to send electronic invoices to our customers since 2005. Tungsten Network's sales, implementation, support and account management teams have made the transition from paper to electronic invoicing a seamless process. We have established excellent relationships with the teams at Tungsten Network and look forward to expanding our partnerships." **Lyreco**

"Tungsten Network's guaranteed invoicing delivery ensures our invoices are delivered promptly. They get their invoices electronically as requested and we have a transparent method of viewing invoice delivery. This strengthens and supports our trusted relationship with our customers. The Tungsten Network system is easier to use and understand than other electronic invoicing systems" **LA Coachworks**

"With Tungsten Network our invoicing process is fully automated so there is no extra work for us." **Betty Fleming, Credit Services Manager, Brammer**