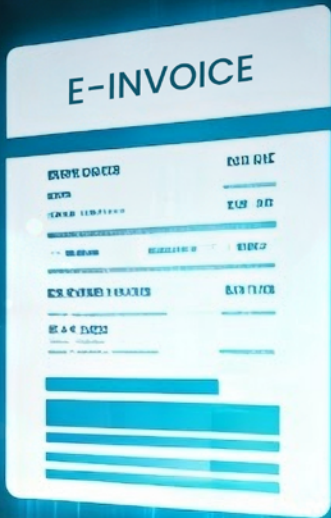


**INTELLIGENCE
DRIVES
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Beyond Compliance

Four E-Invoicing Strategies to Cut Cost, Reduce Risk, and Strengthen Control



Europe continues to set the pace.

Italy pioneered clearance-based e-invoicing at scale, requiring invoices to pass through a government platform. Poland is implementing a similar model. Germany mandates structured invoice formats while allowing more flexibility in exchange mechanisms. France is redesigning its invoicing framework with mandatory e-invoicing and real-time reporting at its core.

The European Commission's VAT in the Digital Age initiative reinforces the direction, making digital invoice exchange the foundation for future reporting across member states.

What began as tax reform now shapes the finance operating model.

More than 80 countries enforce some form of electronic invoicing requirement. Governments seek transaction-level visibility and faster VAT collection. That pressure no longer sits with accounts payable. It sits with the chief financial officer.

Invoice data feeds cash forecasting, tax reporting, audit trails, and payments. When data is wrong or incomplete, finance absorbs the impact.

Manual intervention slows close cycles. Inconsistent ways of working weaken control. Fragmented systems limit visibility across accounts receivable (AR) and accounts payable (AP).

Mandates remove the option to delay action. The real decision concerns structure. Finance leaders must determine where regulatory complexity should reside and how it will be managed over time.

E-invoicing has shifted from a clerical process to an operating-model decision.



The Scale of the Shift



€128 billion

Estimated EU VAT gap in 2023, equal to roughly 9.5% of total VAT liability.

Source: European Commission VAT Gap Report



80+ countries

Now enforce mandatory e-invoicing or real-time transaction reporting regimes.

Source: PwC 2025



~\$3–\$5 vs ~\$15–\$20

Typical cost per invoice in highly automated finance operations compared to predominantly manual environments.

Source: AP and invoice automation benchmark studies

The Hidden Cost of Minimum Compliance

Many organizations treat e-invoicing as a contained regulatory project. A mandate appears. The ERP team configures an interface. The tax team confirms compliance. The work closes.

That structure often strains quickly.

ERP extensions may support UBL or Peppol, yet country-level variations persist. Middleware translates files but does not manage adoption. Local teams handle onboarding. Exceptions move through inboxes. Each new jurisdiction introduces its own reporting cadence and archiving rules.

Adoption plateaus. Paper and PDF invoices continue to circulate. Data gaps remain. Audit preparation turns reactive.

The underlying issue is structural. Regulatory change is continuous. Many compliance programs are designed as one-time responses. That mismatch creates recurring remediation work and uneven performance.

Minimum compliance meets the mandate. It does not stabilize the operating model.

Where E-Invoicing Strategies Break in Practice

Most e-invoicing programs begin with incomplete guidance and evolving technical details. Organizations resolve enough uncertainty to meet the immediate mandate. Invoices move through approved channels. Compliance reviews pass. Early reports show progress.

Then requirements expand.

A new country introduces a clearance requirement. A trading partner demands a different format. A merger adds another ERP instance. Each change adds configuration work, partner onboarding, and testing cycles. What functioned during rollout begins to strain under expansion.

Italy's clearance mandate illustrates the pattern. Since its introduction in 2014, the framework has undergone multiple major revisions alongside frequent technical adjustments.

Initial compliance addressed core invoice exchange. Subsequent updates introduced new reporting requirements, validation rules, and data fields. Organizations that designed for a single requirement found themselves reworking integrations and retraining teams.

Complexity accumulates at the edges. Internal teams track legislative updates across jurisdictions. Suppliers operate across multiple networks. Finance reconciles exceptions between AR, AP, tax, and procurement systems. Responsibility fragments.

This is where strategies diverge. Some organizations absorb complexity inside their operating core. Others design structures that contain it externally.

E-invoicing behaves as a standing condition of global finance, not a time-bound project. The stress test reveals where expertise, effort, and risk reside.

The decision concerns placement. Complexity will exist. The question is whether finance manages it directly or assigns it to a structure built to absorb it.



Four Strategic Responses to E-Invoicing Complexity

Finance leaders tend to follow one of four structural paths. Each reflects a different view of where complexity should sit and how much control the organization is willing to assume.



1

In-House Strategy: Control Through Internal Ownership

Some organizations choose to build and manage e-invoicing capabilities internally. They connect directly to government portals. They configure formats and mappings inside their own integration layers. They assign tax and IT teams to monitor regulatory updates.

This approach offers visibility and direct oversight. It also concentrates permanent external volatility inside the finance organization.

Legislation changes regularly. Formats evolve. Reporting and archiving rules differ by country. Internal teams must track and interpret each adjustment, then test changes across multiple systems. Acquisitions multiply the workload. Multi-ERP environments compound it.

In practice, the model scales slowly. Adoption often depends on manual supplier outreach. Expertise resides with a small group of specialists. When they rotate out, knowledge gaps appear.

Control increases. Operational burden increases faster.

2

ERP-Centric Strategy: Standardization Inside the Core Platform

Other companies rely on their ERP to manage compliance. They extend native modules. They purchase add-ons. They assume that embedding e-invoicing inside the core system will contain complexity.

Integration improves under this model. Data remains close to financial records. Governance appears centralized.

Yet ERPs rarely provide uniform country coverage or rapid legislative updates. Configuration cycles can take months. Multi-country organizations often run several ERP instances following mergers or regional deployments. Each instance requires separate adjustments.

Standardization inside the platform can reduce variation. It can also reduce agility. When regulation changes quickly, finance waits on release schedules and consulting capacity.

The system supports compliance. It does not eliminate the need to manage change.

3

Middleware Strategy: Technical Translation Without Operational Ownership

A third group deploys middleware between ERP systems and external networks. The middleware translates formats, manages routing, and centralizes connectivity.

This approach addresses the technical dimension of complexity. It improves connectivity and reduces direct system integrations.

Operational ownership, however, remains largely internal.

Legislative monitoring, supplier onboarding, and adoption management still depend on finance and IT teams. Accountability spans multiple functions.

The organization simplifies file exchange, yet regulatory interpretation and change management continue to require internal coordination.

Technical efficiency improves. Structural complexity often remains.

4

Service Provider Strategy: Designing for Continuous Change

The fourth path begins from a different premise. Regulatory volatility is constant. Trading partner networks sit outside the enterprise. Adoption requires active management. Complexity will not recede.

Under this model, the organization assigns regulatory change execution, network connectivity, format management, and onboarding to a specialized external provider. Internal teams retain governance and policy control while shifting operational complexity outward.

This structure reduces the internal resource burden. It shortens the cycle from regulatory change to implementation. It often supports broader network reach and higher digital adoption across suppliers and customers.

The distinction is architectural. Complexity does not disappear, but it moves to a structure built to absorb it at scale.

The practical difference among these strategies lies in placement. Each allocates expertise, effort, and risk differently. The choice determines whether finance builds capacity to manage permanent volatility or distributes that burden beyond its core operating model.



How CFOs Should Evaluate an E-Invoicing Strategy

The choice among these strategies is financial. Each carries a different cost structure, risk profile, and capacity to scale.

CFOs should evaluate five dimensions:

1. **Compliance resilience:** Can the structure absorb continuous regulatory change without repeated reconfiguration?
2. **Network reach and interoperability:** Can it reliably exchange invoices across suppliers, customers, government platforms, and multiple ERP systems?
3. **Adoption potential:** Can digital penetration move beyond partial volume to enable automation at scale?
4. **Internal burden:** How much legislative monitoring, testing, onboarding, and archiving oversight remains inside the organization?
5. **Cost structure and speed to return:** How quickly does automation reduce exceptions, improve working capital control, and lower processing costs?

Risk exposure runs across all dimensions. Operational errors affect payments. Compliance gaps trigger penalties. Weak audit trails damage credibility. Structures that rely heavily on manual intervention introduce recurring points of failure.

The strongest strategies assume volatility rather than stability. They are built to scale across new countries, acquisitions, and reporting regimes without repeated structural redesign.

E-invoicing intersects tax, treasury, procurement, and digital accounting. The relevant question is not only whether the organization complies today, but whether it can sustain that posture under continued expansion.



From Compliance Obligation to Financial Leverage

Mandates force process change. The question is whether finance stops at compliance or uses that change to strengthen the operating core.

Structured e-invoices enable straight-through processing in AP, faster dispute resolution in AR, and clearer working capital visibility. Clean data improves matching and reduces exceptions at the source.

Poland's national e-invoicing system illustrates the effect. Real-time validation through the KSeF platform standardizes invoice data before it reaches internal systems. Organizations benefit from greater consistency and reduced manual correction as a result.

Some finance teams stop at compliance. Others use the shift to redesign processes, increase digital adoption, and reduce manual intervention.

AI increasingly enters the discussion. In most e-invoicing environments today, automation remains largely rule-based and deterministic. Machine learning appears in limited areas such as data extraction or anomaly detection. The structural architecture, however, determines whether more advanced automation can scale.

AI amplifies whatever foundation it runs on. Clean, structured invoice data strengthens validation, routing, and predictive monitoring. Fragmented systems and inconsistent formats constrain those gains. The strategic question remains architectural, not technological.

E-invoicing becomes a foundation for automation rather than a regulatory endpoint.

What Future-Ready Finance Looks Like in Practice

A finance function built for digital invoicing embeds compliance into standard operations. Legislative updates follow defined governance paths. Audit documentation is accessible without reconstruction.

Digital adoption remains high by default. Business partners exchange structured data through established networks. Straight-through processing handles the majority of volume.

Finance gains real-time visibility into invoice status, payment cycles, and compliance posture across markets. Treasury models cash flow with more reliable inputs. Multi-ERP environments connect through standardized integration layers.

When the organization enters new markets or completes acquisitions, the framework extends rather than fragments.

That architecture supports procurement analytics, supplier performance tracking, and broader automation across AP and AR.

The Decision CFOs Cannot Defer

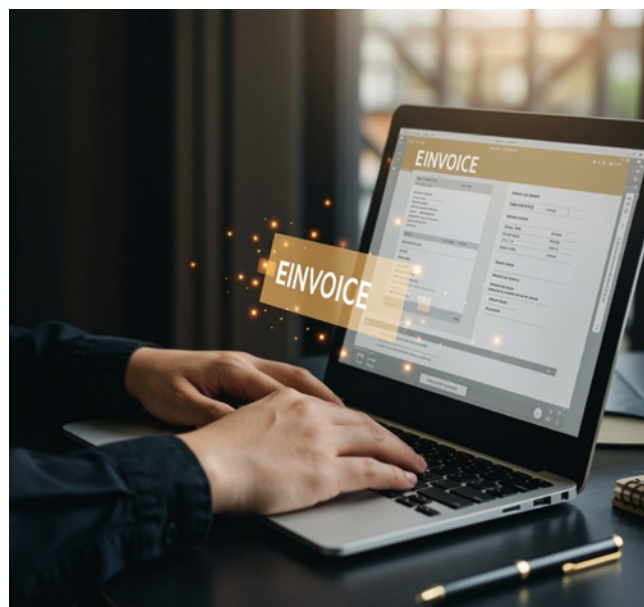
Regulators have set the timeline. Europe's mandates advance. Other regions expand reporting requirements.

The larger risk lies in embedding a short-term fix into the long-term finance architecture. E-invoicing now shapes data quality, working capital optimization, and audit readiness.

CFOs evaluate capital allocation and outsourcing decisions based on durability. E-invoicing warrants the same discipline.

The structure chosen today will determine whether finance absorbs volatility internally or contains it through design.

That decision sits at the CFO's desk.



From Insight to Execution

Regulatory expansion, adoption ceilings, and operational strain are already shaping finance performance across global organizations. Insight does not resolve these pressures. Execution does.

GEP works with CFOs and finance leaders to translate e-invoicing strategy into a stable operating model—aligning compliance, exchange management, and process design so regulatory change strengthens finance operations.

GEP FINA combines global e-invoicing capability, compliance expertise, and finance-domain experience to support that transition.

Assess readiness and define a model that supports compliance, cost control, and financial visibility.

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