

# How Xelix outperformed Springer Nature's in-house invoice-checking tool

**8x ROI**  
in Year One

**Dramatic Reduction**  
in currency & VAT errors

**SPRINGER NATURE**

Processing 250,000 invoices annually, Springer Nature's in-house development team built their own duplicate invoice checking tool. So why did the organisation need to invest in a third-party system like Xelix?

Duncan Monné is Director Global Accounts Payable and Royalties at Springer Nature. With a strong programming background, he told us why he decided to compare Xelix with his own tool, and what he discovered.

One of the biggest scientific and research publishers in the world, Springer Nature runs offices in more than 50 countries, with presence in most others. Not only are invoice numbers high, the organisation also generates around 170,000 author royalty calculations each year.

**"Whilst I'm responsible for outgoing payments and royalty calculations for our authors, I also lead many finance projects. I call this finance transformation. Springer Nature has been moving to a more modern way of working and invoice processing was high on the agenda,"** said Duncan.

## The pros and cons of in-house invoice checking systems

Due to its global presence, Springer Nature handles invoices in many different currencies, not to mention different VAT rates.

Prior to Xelix, it relied on two invoice checking systems, plus manual checks.

Springer uses SAP, which certainly identifies basic duplicates, but nothing more.

So, the business built its own tool in-house. Used weekly by Springer Nature's outsourced BPO team, this would pick up duplicates after processing payments. But Duncan was aware it needed constant development.

Aside from system processes, there was a human checking element too.

**"Whenever we had a payment run, many people reviewed it for errors. They'd check for currency errors and invoice numbers that didn't look normal for a certain supplier. But when you're processing the level of invoices we handle, errors are inevitably going to slip through unnoticed. For duplicates created on a subsequent day, for example, this was always true.**

**If our vendors spotted a double payment, they'd contact us. In fact, that became a common duplicate checking method when our tool didn't pick it up,"** said Duncan.

So, why not develop their in-house tool further? If the basics were already in place and Springer Nature had a development team at the ready, could this have been an effective route to achieve more accurate checks?

Duncan explained: **"Building your own tool is great because you can focus on what's important to your specific business. You can also exclude what you don't need. But we also discovered many limitations.**

**To remain effective, any finance tool needs constant maintenance and development. And yet, just a small number of people hold your in-house expertise. What if one leaves? What if there's a higher priority project to focus on?**

**We could have developed our tool's capability further, but it would have taken resources needed elsewhere. So, I wanted to compare our tool with a system we could buy into, and use ourselves."**

Another frustration with Springer Nature's in-house tool was it could only check for duplicates after invoice processing. That meant having to recover money already paid, which is always harder than preventing the duplicate in the first place.

Duncan could have chosen to engage third-party service providers to identify duplicates, but he pointed out they'd still need to revert to his team with their findings and that would drain just as much time as doing it themselves.

## Going head-to-head with Xelix

With ample knowledge of software development, Duncan eagerly put Xelix through its paces. He wanted to understand if it could outperform what he had in place already. With invoice volumes on the rise, duplicates were predicted to become an even bigger issue for the business. Yet, Duncan's actions had to make financial sense.

"I wanted to run our own tool in parallel with Xelix to see the difference. What could Xelix give us that we didn't already have?"

Looking at two years of past data, Xelix highlighted far more duplicates than our in-house tool. But without our business knowledge, it was picking up things our tool knew were not duplicates. Such as when we used the ISDN number (International Standard Book Number) as the unique identifier for multiple orders.

So, we intelligently ironed this out with the Xelix team. Now when we discount a duplicate, Xelix flags this error type as low priority rather than deducting it entirely in case it is in fact an issue our side that needs investigating. This stops errors from slipping through the net due to wrong teachings.

Xelix was finding currency errors our tool never picked up. Plus, it would highlight duplicate vendors. These were new areas of functionality I hadn't considered – and a huge benefit."

*Coupled with highlighting duplicates and errors before payment runs it made absolute sense to switch to Xelix,"*

*Senior management also know exactly what's happening with their finances and outsourced providers now. Plus, the time saved by Xelix frees resources to use elsewhere in the business. That's often a hidden benefit."*

## "It's more like an insurance to us."

Whilst Duncan initially considered Xelix as a duplicate-checking tool, he quickly realised it provided Springer Nature with many more benefits:

**"One of the biggest wins for us was Xelix picking up currency and VAT errors. We have a printer in the Netherlands and the shipping destination determines whether to apply VAT or not. Previously, our checks didn't spot a VAT error. And that could, for example, result in a costly 20% overpayment. This would then be tricky to recover.**

**Highlighting duplicate vendors is also a huge help to us. We have more than half a million and this figure grows by 35,000 a year."**

It's not just error-spotting either. Springer Nature uses Xelix to monitor the performance of their outsourced BPO team, running each payment run through Xelix prior to completion.

**"Previously, the BPO team used our in-house tool themselves. But they limited reporting, not wanting to highlight their mistakes. As we control Xelix ourselves, we now have more confidence in how they're operating day to day,"** added Duncan.

Whilst Xelix is a cost to the business, Duncan looks at it from a much wider perspective:

**"Xelix gives us assurance money isn't going out the door when it shouldn't. We proved we couldn't identify the same level of errors ourselves. So, it's more like an insurance to us – it's a much broader picture. One big error could easily cost the business a million euros.**

## Always adding further value

Duncan's not finished yet. He wants to utilise more of the Xelix functionality, such as fraud detection and automated supplier statement reconciliation.

**"I think enhancing our fraud detection abilities will be next on the list to tackle with Xelix. That's something our tool couldn't handle at all. And as Xelix has our data, it would be great if they could manage statement reconciliation for us."**

Springer Nature and Xelix have worked very closely on co-development of the Xelix platform. This includes incremental improvements in the platform to the development of brand-new modules. For example, providing a section to add comments and Xelix's automated supplier statement reconciliation module.

**"We wanted to have a comments box where you could sometimes add a reason for the duplicate. So, we went back to the Xelix team and they actioned this for us. We also worked with them to highlight the issue of credit notes not triggering as a duplicate correction. They're keen to add as much value as possible,"** he said.

With Xelix proven to deliver more than in-house processes, Springer Nature is very happy with its decision to switch. Put simply, Xelix has transformed its invoice processing, driving significant savings and unexpected benefits.