



## EDIFICE Enabled Success Stories RosettaNet PIP<sup>®</sup> 3C7 Self-Billing Invoicing (SBI)

**Objective:** To enable Nokia and Texas Instruments, STMicroelectronics, National Semiconductor and Philips Semiconductors to fully automate customer initiated invoicing in consignment stock process including SBI, transmission of the information, supplier revenue recognition, inventory adjustment and reconciliation.

**Process or Initiative:** Review of SBI process and development, piloting and implementation of RosettaNet Partner Interface Process (PIP<sup>®</sup>) 3C7 Notify of SBI.

### EDIFICE Members Involved:

Nokia (a mobile communications devices manufacturer), the "Customer"  
Texas Instruments (a semiconductors manufacturer), the "Supplier"  
ST Microelectronics (a semiconductors manufacturer), the "Supplier"  
National Semiconductor, (a semiconductors manufacturer), the "Supplier"  
Philips Semiconductors, (a semiconductors manufacturer), the "Supplier"

**Background:** The SBI process is a re-engineering effort, based on the traditional invoice process, associated with liability settlements arising from supply of goods between customer and supplier. SBI is the procedure for authorising future payment for received or consumed goods. Prices must be pre-negotiated and maintained by both the customer and the supplier in their respective applications in order for the process to operate smoothly. The SBI process does not operate independently of other processes. It is dependent upon the functions of forecast-and-inventory-management (FIM) and physical distribution, and it triggers the payment process. The SBI process has been developed in the EDIFICE SBI task group, which were the same companies developing the new PIP 3C7 for SBI. EDIFICE continues to be a discussion forum for SBI and invoicing related issues such as EU invoicing directives.

**Benefits to Customers:** Implementing SBI process supported by RosettaNet technology resulted the following benefits for Nokia:

- Daily Invoicing process has been fully automated, traditional invoice verification function (in Customer Account-Payables) is obsolete, set-up by Supplier once
- Invoicing data accuracy (price, quantity) has improved (any mismatch is detected the following day)
- Inventories are accurate and no manual research and clearing

**Benefits to Suppliers:** Implementing SBI process supported by RosettaNet (RNIF and PIP) resulted in the following benefits for the participating companies:

- Automated processing of SBIs and enabling one or more of the following transactions: revenue recognition and consignment inventory adjustment, (consolidated daily) invoicing process, automatic reconciliation of inventory movements, exception management of price, quantity, missing data etc.
- Customer is communicating much faster the acceptance on SBI
- Daily revenue recognition
- No dispute between Supplier Account-Receivables and Customer Account-Payables when payment is (over)due
- Customer Payments (3C6) always match Customer SBIs

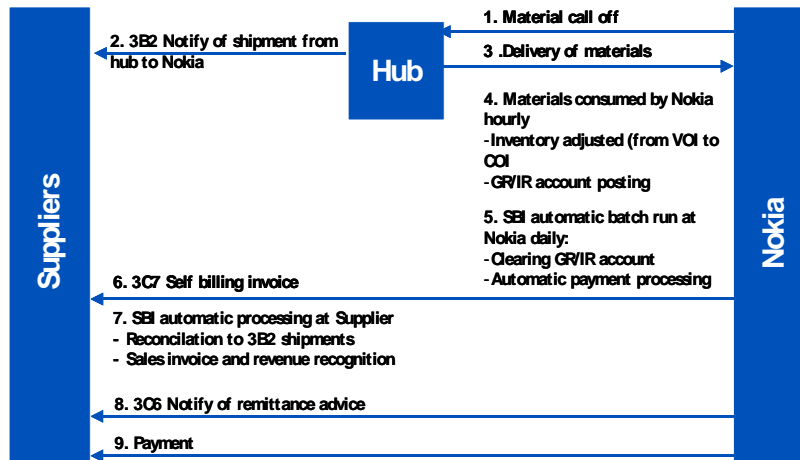
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## Further Implementation Details

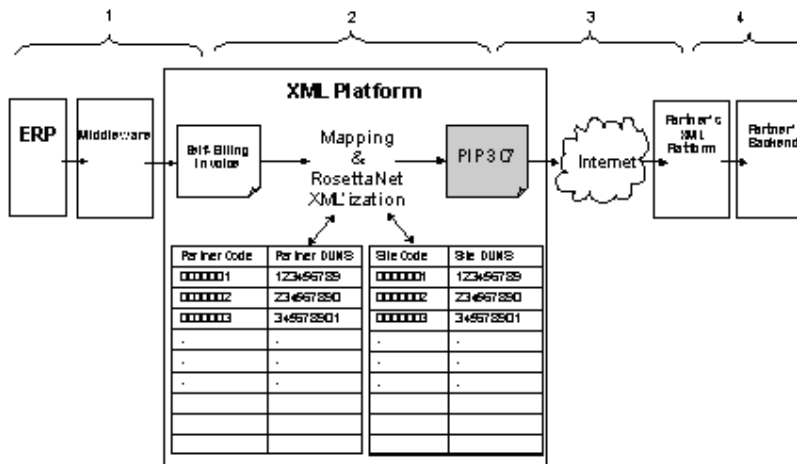
**General Solution Outline:** Using PIP® 3C7 afforded the participating companies to fully automate the invoicing flow from consumption to payment including reconciliation.

Nokia is generating SBI (3C7) automatically on a daily basis (after midnight local time including all consumptions from previous day, notified previous day in event-driven signals, such as 3B2 or 4B3) with a batch run set by Supplier in Nokia's global ERP system.

Suppliers will automatically process the 3C7 in their ERP systems at the time they receive the message, and the message can trigger multiple transactions in supplier end, e.g. decrease ihub inventory, generate revenue, open accounts receivable and reconcile consumption and billing.



SOI Supplier Owned Inventory, COI Customer Owned Inventory, Hub Third party operated warehouse



1. Self-Billing Invoice generated in the back-end and delivered via middleware to XML platform
2. Self-Billing Invoice format changed from back-end format to RosettaNet XML and back-end codes are mapped to DUNS#'s
3. PIP 3C7 sent over the Internet according to RNIF (1.1 or 2.0) using HTTPS
4. Mapping, formatting, and delivering the data to Supplier back-end in seconds

<http://www.edifice.org/sites/repository/Model%20Library/FIM-BusinessModel-2.pdf>

<http://www.edifice.org/sites/repository/Model%20Library/SBI-BusinessModel.pdf>