

Un-Quantifiable Costs and Hidden Risks of Government Mandated E-Invoicing

Government mandated e-invoicing is affecting how organizations approach compliance and ensure continuous commerce for their businesses.

Authorities are demanding real-time or near-real-time collection of data from transactions, and a failure to comply can trigger immediate enforcement, including business stoppages and revocation of licensure.

As businesses look to address these requirements, it's important they peer below the surface and consider the long-term costs and risks associated with different partners and approaches.

On the Horizon

The visible risks and quantifiable costs for businesses:

- Implementation and change management projects for each country
- Financial stability of small local vendors in countries where requirements can change structurally
- Licensing or subscription costs per country
- The cost of building, implementing and managing solutions per country

Beneath the Surface

The less visible risks and costs businesses may encounter:

- Full security reviews and contract evaluations required for each point solution
- Language challenges for corporate functions and controls for each country
- Bundled compliance and business functionality for local point solutions limit flexibility
- Key financial and physical supply chain processes locked into feature-poor enterprise software
- Mandates expanding to cover more documents and processes turn countries into process islands
- Each local point solution accepted reduces the ROI of global systems you have invested in
- Localized products stifle innovation and reverse digital transformation
- Smaller, local solution vendors design products for local legal administrative requirements only
- Little investment is made in keeping up with global security and privacy assurances such as GDPR
- Performance benchmarks are based upon local law and specifications, not global best practices
- Insurance, liability and other key safeguards may be poorly designed or lacking altogether
- Regulatory updates available in the local language(s) only

The expansion of **government mandated e-invoicing laws** across the globe is not a passing trend, but a new reality for businesses.

Understanding the short and long-term ramifications and the associated risks and costs of each approach will save time, money and resources while helping you to achieve your objectives.

Sovos can help you eliminate common pitfalls of global compliance through our **Connect Once** technology.

TALK TO AN EXPERT

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