WHY ARE ELECTRONIC INVOICE PROCESSES RISKY? - EMPIRICAL ANALYSIS AND DISCUSSION OF RISK FACTORS

Complete Research

Angelica Cuylen, Leibniz Universität Hannover, Institut für Wirtschaftsinformatik, Hannover, Germany, cuylen@iwi.uni-hannover.de

Lubov Kosch, Leibniz Universität Hannover, Institut für Wirtschaftsinformatik, Hannover, Germany, kosch@iwi.uni-hannover.de

Michael H. Breitner, Leibniz Universität Hannover, Institut für Wirtschaftsinformatik, Hannover, Germany, breitner@iwi.uni-hannover.de

Abstract

Electronic invoice processes are characterized by various software solutions, legal uncertainty, heterogeneous demands, lack of know how, and information system infrastructure incompatibilities. Due to this complexity and the uncertainty that companies face, a holistic map of risk factors of e-invoice processes is required. Companies must be conscious not only about potential opportunies but also about potential risks before they change their business processes and their information systems’ architecture. Potential risk factors are identified theoretically and empirically evaluated with a quantitative expert survey that investigates risk probabilities and potential losses associated with these factors. The empirical analysis reveals that the investigated factors are valid and reliable. After conducting an explorative factor analysis, 37 statistically significant risk factors are grouped into ten risk dimensions: process organization, standard, environment, project management, strategy, acceptance, system, process execution, security, and change management.

Keywords: e-invoice, electronic invoice processes, risk factors, risk probabilities

1 Introduction

Successful companies focus not only on their daily business, but also on their relationship with business partners and on their own business processes. The digitalization of business processes is an essential method for cutting down administrative costs, improving productivity in business processes, and achieving process transparency (EU Expert Group on e-Invoicing, 2009). As part of the Europe 2020 strategy the European Commission (EC) has the vision of an European social market economy that is highly competitive and takes full advantage of the benefits offered by digitalization (European Commission, 2010). In order to improve efficiency and provide competitive advantages, it is crucial to use information systems (IS) to support both internal business processes and processes with business partners (Sandberg et al., 2009; Tanner et al., 2008). Especially a fully integrated procure-to-pay process chain provides essential cost savings (EU Expert Group on e-Invoicing, 2009) as well as an automation of the accounting processes (Kivijäri et al., 2012). In order to achieve these benefits, business partners need to exchange their business documents electronically. A pivotal business document is the invoice. Invoices bear commercial and legal consequences for companies. No business can operate without invoicing. The invoice, including self-bills issued by the receiving company, is the core ele-