

Italian finance industry sustains the digitalisation of the public administration–business–citizen relationship: Electronic invoicing and the CBILL Service

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ABSTRACT

For many years, the Italian financial market has understood that the valorisation of cooperative activities is a keystone for improving individual intermediaries' competitive offerings to their clients (corporate and retail) through shared standard infrastructure and strategic lines. The Italian finance industry is actively contributing to the process of digitalising the nation, fulfilling the needs of corporates, citizens and the Public Administration (PA), through the enhancement of its best practices. Consorzio CBI's (<http://www.cbi-org.eu>) positive experience is instructive for its effective management of financial exchange and flow of information among corporates, citizens and the PA, making collection and payment, reconciliation and document

management processes more efficient from an economic and organisational viewpoint. Consorzio CBI membership includes approximately 580 financial institutions, including Poste Italiane and electronic money institutions, which represent 88.6 per cent of payment service providers and 100 per cent of banks offering competitive corporate banking services to more than 980,000 corporates. It has played a fundamental role in defining the electronic invoice, one of the three priorities of the Italian Digital Agenda. The year 2014 will be remembered as the year when the e-invoice began to be used in Italy, as a result of actions taken by Consorzio CBI. This paper presents the experience of the Italian finance industry during the creation of standards and services in support of the dematerialisation and optimisation of the financial value chain and electronic bill presentment and payment services. This paper concludes with a brief note on mobile services and future prospects.

Keywords: *invoice, e-billing, Italian finance industry, digitalisation, European Digital Agenda, mobile services*

INTRODUCTION

The European Digital Agenda is part of the Europe 2020 programme and sets out the European Union's growth targets for 2020. The main aim is to develop a Single Digital Market to lead Europe towards intelligent, sustainable and inclusive growth. Dematerialisation is, therefore, a top priority.

The European Digital Agenda has set out action areas, defining seven 'pillars'. Of these, the banking industry's focus lies in creating a Single Digital Market, but all the agenda pillars share growth through digitalisation as a common denominator:

- *Internet network infrastructure*: eliminating the first-level digital divide and creating new generation networks.
- *Research and innovation*: greater investment in research and development related to ICT.
- *Digital skills and literacy*: building the population's digital literacy level, starting with schools.
- *Confidence and online security*: strengthening a policy designed to combat computer crime and to protect personal data.
- *Interoperability of standards*: increasing the interoperability of devices, applications, databases, services and networks within the EU.
- *ITC for social development*.

The Italian Digital Agenda was set up on 1st March, 2012, with a decree by the Ministry for Economic Development, jointly with the Ministries for Public Administration and Simplification, Territorial Cohesion, Education, Universities and Research, and Economy and Finance. The three priorities of the Italian Digital Agency are:

- e-invoicing;
- fiscal database;
- digital identity.

The Italian banking industry considers the objectives of the Digital Agenda reachable only through a concerted effort by all parties involved (government, public administration (PA) and corporates) and a willingness to invest in removing the obstacles currently blocking digitalisation in various sectors of the Italian economy. For its part, the banking industry believes strongly in the benefits of digitalisation, as can be seen from its efforts in cooperation and its collaboration between individual financial institutions, investing in process dematerialisation, the introduction of new branch technologies and the creation of new relational channels.

With this shared objective in mind, public and private players are now making huge efforts by promoting their own best practices.

Through Consorzio CBI, the Italian financial industry is now supporting corporates, citizens and PAs in this delicate process of change. The year 2014 will be remembered for the launch of e-invoicing in Italy, six years after the 2008 Finance Law, and ten years after the financial industry's commitment to create standards and services supporting dematerialisation and optimisation of the financial value chain.

The reusability of the available cooperative infrastructures, such as the CBI network, which is widely used in the banking market, is an important asset for Italy, and should be exploited and supported. It enables massive savings on past investments, also for private industries (such as the financial sector) in a way that allows the PA and its users (citizens and corporates) to gain easy access to integrated, added-value services (in the case of the CBI network, executive and informative financial services and document management).

In recent years, the banking market realised that maximising collaborative

activities may be the keystone to improving competitive offerings for corporate and other customers. In the situation of market uncertainty analysed here, in which a focus on investment is the key ingredient, the value generated by cooperative investments according to a synergistic approach may considerably exceed individual ones.

The importance of shared infrastructures has been demonstrated by Consorzio CBI, which has around 580 members offering competitive services to more than 980,000 corporates and public authorities. It allows financial exchange and flow of information in order to achieve more efficient control of collection/payment operations, reconciliation and document management processes.

Thanks to the opportunities offered by the internet and mobile devices, the banking industry has also understood the need to launch specific projects for retail clients by integrating these technologies with the world of payments, and by taking into account new payment practices, which are evolving even faster in a 'digital revolution'.

To intercept these trends, many new payment solutions have emerged, such as e-commerce and m-commerce. Indeed, they combine the full digitalisation of payment processes with traditional clearing and settlement mechanisms already supported by the banking industry.

These solutions includes the possibility of ordering payments online or through a mobile device, with the transmission of full reconciliation details, thus automating the whole process by connecting it to the internal processes in the ERP purchasing system (accounts payable) and for the billing and reconciliation system (accounts receivable).

In order to outline the ways in which new payment services for retail customers are evolving, three areas are of note:

- (i) Electronic Invoice Presentment and Payment (EIPP): e-invoicing solutions through which payments are sent and received online;
- (ii) Electronic Bill Presentment and Payment (EBPP): solutions enabling bills to be created, sent to debtors and paid online;
- (iii) Mobile services: solutions enabling payment on mobile devices.

CONSORZIO CBI: ITALIAN BEST PRACTICE WITH GROWING NUMBERS

Since 2001, Consorzio CBI (formerly the Association for CBI) has, as a 'satellite' of the Italian Banking Association, in an environment of collegial cooperation, defined the technical standards and regulations for the CBI Service, CBILL Service and the Gateway services that Italian banks competitively offer their customers. In addition, Consorzio CBI manages the technical infrastructure that provides online links through which the member banks can communicate with their customers to provide banking services. The standards and regulations are shared and interoperable both nationally and internationally.

Consorzio CBI also certifies technical operators, who enable access to the network infrastructure to ensure maximum service quality, and it develops informative and training activities to improve stakeholders' awareness of the services. The specific nature of Consorzio CBI's activities has made them internationally recognised best practices.

Consorzio CBI is a consortium open to banks, financial intermediaries and other operators licensed pursuant to national and European laws and regulations on payment services in Italy and the EU.

Specifically, as of December 2014, membership included approximately 580 financial and electronic money institu-

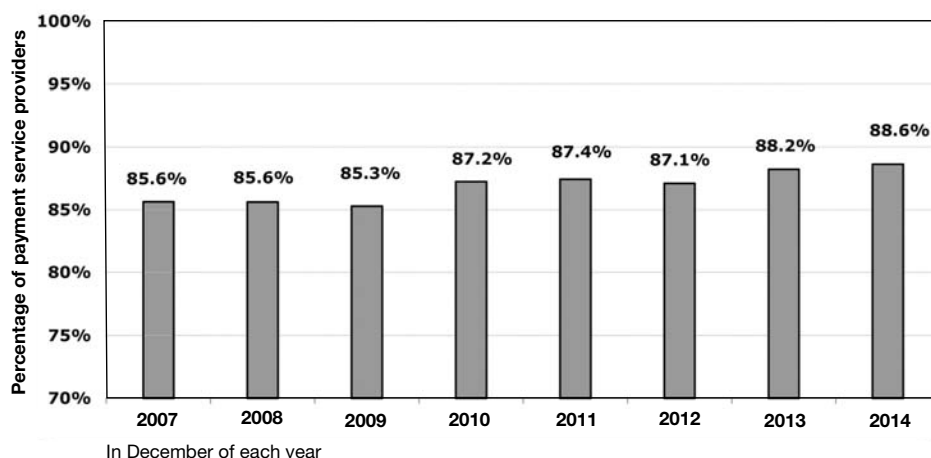


Figure 1 CBI: percentage of member banks out of the total in the Italian banking industry¹ (estimated figure)

Source: Consorzio CBI data compilation

tions, which represent 88.6 per cent of the payment service providers and 100 per cent of the banks that offer corporate banking services (see Figure 1).

Analysis: Consorzio CBI in an international context

Consorzio CBI has established relations with numerous stakeholders and decision makers, both nationally and internationally, in order to concur on system guidelines designed to maximise compliance with the international scenario. Constant monitoring within the established conventions operating on a global level involves participation in the following.

- *European Payment Council (EPC)*: with the objective of maintaining the rule-book, the guidelines and the standards for Single Euro Payments Area (SEPA) (Credit Transfer, Direct Debit and other payment instruments), the EPC recommends the highest level of application uniformity on the customer-to-bank segment in the EU and sets out instructions that ensure payment security, under the direct supervision and gen-

eral coordination of the European Central Bank.

- *International Organization for Standardization (ISO) TC68/ISO 20022 (RMG)*: for the definition and development of technical standards and reports concerning financial services.
- *Centre Européen de Normalisation (CEN) — e-Procurement Workshop*: with the objective of identifying the highest-level standards, the CEN aims to ensure the interoperability of the e-invoice function in Europe, from the standpoint of legislation, commercialisation and standardisation.
- *United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) — Programme Development Area (PDA) Supply Chain (Finance & Payments Domain)* has the objective of improving the quality of the organisation of business, trade and administrative deals in developed and developing economies, for the effective commerce of products and relative services contributing to the growth of global trade.

Within the scope of the Programme Development Area called Supply Chain

(SC), the current author has held the post of domain coordinator of the Finance & Payments domain and of Liaison Officer at UN/CEFAT toward ISOTC68 since 2012, with the objective of seeking the broadest integration and interoperability in the sphere of financial services.

- *International Payments Framework Association (IPFA)* has the mission of setting out a common framework of regulations for operational business standards and procedures, with a view to improving non-urgent cross-border credit transfer services, enabling interoperability among different domestic and regional systems and ensuring extra-SEPA transactions in STP mode and in many currencies on a global scale.
- *Common Global Implementation (CGI)* is a SWIFT community of financial and non-financial institutions with the objective of developing corporate-to-bank implementations, based on the use of ISO 20022 messages, and the applicable payment domain activities. The goal is to simplify and promote wider acceptance of ISO 20022 as the common XML standard used in customer-to-bank transactions.
- *Multistakeholder Forum on e-Invoicing* has the objective of supporting the massive implementation of the e-invoice in Europe by 2020.
- *UNINFO e-Business Working Group*: this commission discusses national and international legislation, monitoring the work of European and international forums and consortia on e-business.

CBI SERVICE: ADVANTAGES FOR CORPORATE CUSTOMERS

The CBI Service is the consortium's traditional service, which has evolved over the years. It enables corporates to optimise

their entire commercial and financial chains by providing additional document management options, in addition to collection, payment and information services, it guarantees full interoperability among the different formats used in financial communities around the world (see Table 1).

The main advantage for corporates is certainly the optimisation of flow and economy of operation. Essentially, corporates have a single desktop from which they can manage all their accounts and view their statements, in a simple, integrated and timely manner.

The flow of information exchange is supported by an advanced technological infrastructure (a payment initiation network, distinct from the clearing and settlement circuit), which permits corporates to manage direct dialogue with other corporates and with the PA, through the banking circuit.

The many functions that make up the CBI Service have always been constructed on a foundation of internationally adopted standards and standards shared cooperatively, including stakeholders through the 'Stakeholder Forum', active since 2004. The historic target of the proposal has always been business. Then it evolved, offering new functions and services also in support of the PA and, recently, of the retail sector.

Among the services developed by the CBI, electronic invoicing (e-invoicing) has taken on a primary role.

ELECTRONIC INVOICING: THE LINK BETWEEN CORPORATES' TRADE CYCLE AND FINANCIAL-ACCOUNT CYCLE

Quite clearly, at the centre of the process of change and innovation that has characterised recent years is the role of dematerialisation, which responds to demands for

Table 1: CBI Service functions

	<i>Legacy standards</i>	<i>SEPA compliant domestic services</i>	<i>Cross-border services</i>
Document management		<ul style="list-style-type: none"> • Send/receive end to end structured and non-structured documents • Invoicing Financial Request • Send to Public Administration Invoice 	
Collections/ Payments	<ul style="list-style-type: none"> • Collection and status for direct debits • Electronic alignment service • Banking payment slip service • Direct debit transferability • Italy credit transfer and foreign credit transfer • Credit transfer status • Tax payment service and status • Marketplace 	<ul style="list-style-type: none"> • Ordinary XML SEPA credit transfer • Status of credit transfer to originator and creditor • SEPA direct debit collections • SEPA compliant electronic alignment service 	<ul style="list-style-type: none"> • Notice of incoming credit transfer and use instructions • Foreign XML credit transfer,
Statement	<ul style="list-style-type: none"> • Periodic account transaction and balance reporting • Securities tie reporting • Advances account reporting • Notes and payment notification • Electronic IBAN alignment • Portfolio reporting 	<ul style="list-style-type: none"> • Structured accounting • 'Intraday' balance reporting 	<ul style="list-style-type: none"> • Foreign credit transfer account reporting

the integration and optimisation of processes, from which 'submerged' resources can resurface to be reinvested competitively.

The PA, in particular, has taken on a key role in the drive towards the dematerialisation of processes. This has resulted in increased competitiveness in the country system and support for the financial market. All of this is due to the close ties that the PA has with companies and citizens, as well as the huge number of receipts and payments involved.

Therefore, in recent years, drivers such as 'efficiency', 'quality' and 'savings' have

become key points in the public sector renewal process, in response to the overwhelming inefficiency observed in administrative processes, especially in the payment of suppliers.

A contributing factor was the scarcity of standardisation of the ICT solutions adopted over time. Now, the PA is characterised by strongly differentiated procedures for each individual service/institution and a high level of complexity of its internal management processes. This strongly compromises its ability to offer citizens efficient and integrated services.

In this context of the drive toward innovation, e-invoicing, the link between the logistics and financial cycles, represents the keystone capable of raising business processes to higher levels of efficiency and competitiveness through a reduction in costs and an overall improvement in the effectiveness and quality of those processes.

Specifically, the invoice is the accounting document, which, in business processes, links the administrative–accounting cycle with the financial cycle (receipts, payments and treasury). Therefore, dematerialisation of the invoice represents the fulcrum of the total integration of corporate processes and an important opportunity for optimisation of corporate resources in relation to the great reduction in costs that it implies.

There are many connotations of the term and of the scope of application of the e-invoice. This great variety has often generated considerable confusion in the analysis of this phenomenon.

Equally, regardless of any interpretation considered, the competitive advantage — in terms of efficiency — that adoption of the e-invoice is capable of ensuring for corporates has by now been understood.

In addition to the intrinsic value clearly generated by the introduction of e-invoicing, such as the savings generated by the reduction in low value-added human-based activities (eg reduced times, costs and resources used for receipt, registration and filing of invoices, not to mention management, search and consultation of paper documents), there is also the elimination of space required for storage of paper invoices, the reduction in disputes linked to delays and errors in traditional invoicing methods and the elimination of postal charges. Then, there is the connection to payment and invoice management systems, which generates improved cash flow management and

absolute transparency of the invoicing process.

All of this requires the business to make investments in technology and new organisation, which are relatively modest in comparison with the benefits, in view of the growing competition in the market for e-invoicing services in outsourcing and the corresponding recovery of internal resources and value.

Therefore, e-invoicing must be considered an excellent opportunity to optimise processes, for both corporates and the PA, rather than a problem of compliance with tax legislation. The initial perspective from which to approach the issue is therefore that of its value to individual corporates.

There are many studies that demonstrate the savings to be had from e-invoicing. To cite just two, according to Politecnico di Milano, up to one to two euros may be saved per invoice, in the case of replacement of storage models, with €65.00 per cycle (that is for each order that becomes an invoice and then a payment), in the case of more complete integration and dematerialisation models.² One study on e-invoicing in Europe done by Billentis³ in 2009 estimated that significant savings could be had by both the sender (between €7.00 and €10.00 per invoice) and the receiver (between €10.00 and €25.00 per invoice).⁴

Considering that, in Italy alone, it is estimated that three billion invoices are exchanged every year,⁵ the potential savings that can be generated by corporates adopting such innovative processes is clear.

In this context, the Italian banking industry, using its decade-long experience in the creation of online services, whether in single or multi-banks, has for years progressed towards the dematerialisation of administrative–logistic–financial processes in corporates and the PA, developing value-added services for the financial value chain.

Since 2007, Consorzio CBI has developed innovative services not only involving the receipts and payments and information areas, but also for document management services, including e-invoicing and related financial services.

The importance of e-invoicing is even clearer in a financial crisis situation, which drives companies to request innovative solutions to meet an increasing need to keep working capital liquid by improving the efficiency of all the various phases of the sales and financial process.

The value of the CBI e-invoicing services shared with the system and competitively offered by member banks to their customers consists precisely in supporting the total integration of the entire financial value chain, from transmission of the invoice to automatic generation of the receipt/payment to the relevant statement and automatic reconciliation.

Thanks to the innovation of CBI Service, it is possible to integrate and increase the efficiency of corporate processes by enabling invoicing functions among corporates, activation of requests for payment and automatic reconciliation with trade and financial information.

HOW E-INVOCING SUPPORTS THE INTEGRATION OF THE FINANCIAL VALUE CHAIN

Firms' increasing needs have driven Consorzio CBI to develop innovative services regarding e-invoicing; in particular, value added services have been introduced to help banks develop advanced offers to their clients. On this common base, each single bank can develop value added and distinctive services in its competitive space: for example, a reconciliation service, or support in a dispute process between seller and buyer, or electronic archiving to ensure the legal validity of e-invoices.

The CBI e-invoicing services are characterised by relevant features such as

- ISO 20022 xml compliance;
- multi-standard format;
- system information on the transmission status;
- faster request elaboration;
- data security/integrity and quality.

For the definition of the CBI E-invoice Standards, Consorzio CBI has developed gap analyses of the most important international standards and also collected the stakeholders' requirements through the CBI Stakeholder Forum (consisting of institutions, enterprises and associations). Moreover, Consorzio CBI took into consideration the UNCEFACT TBG1 standard, and has completed the gap analysis with the main international standards so as to ensure interoperability.

The CBI E-invoice Standard is based on a 'double layer' approach, with two main information blocks:

- (i) The header contains only the summary information about the invoice (not the entire document), consisting of the necessary data for the bank to grant its financing (date and protocol number of the document, information about the supplier, information about the customer, information about the total amount).
- (ii) The body contains detailed commercial information about the invoice (description of the goods, references to the shipping note, unit price, applied discount, line total amount, information about taxation).

Four possible scenarios have been identified to structure the messages, which are illustrated in Figure 2.

In this way, the CBI E-invoicing Service will be interoperable with the

Figure 2 Possible scenarios to structure the CBI E-invoice standard messages

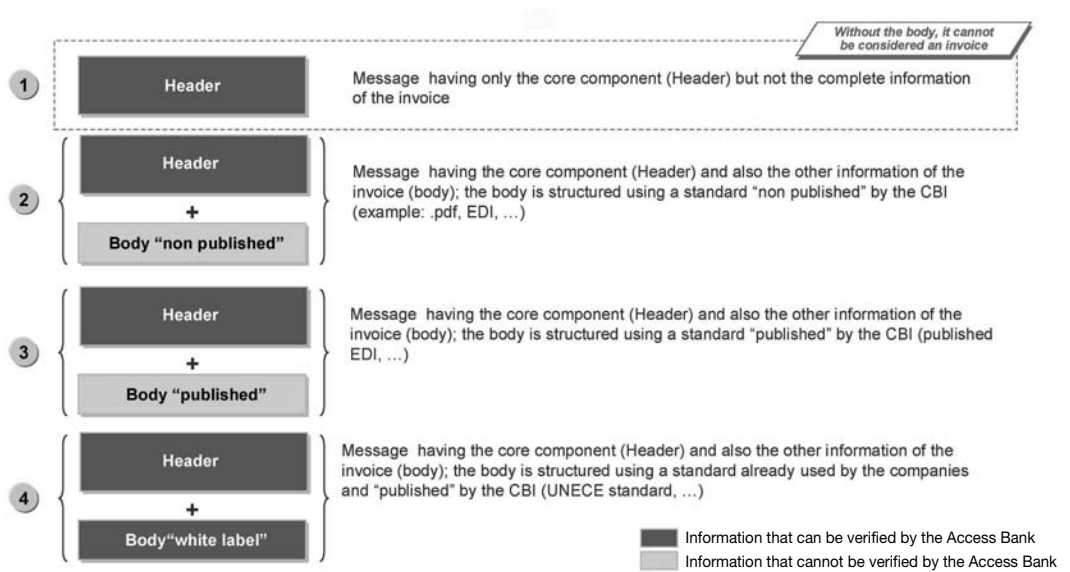
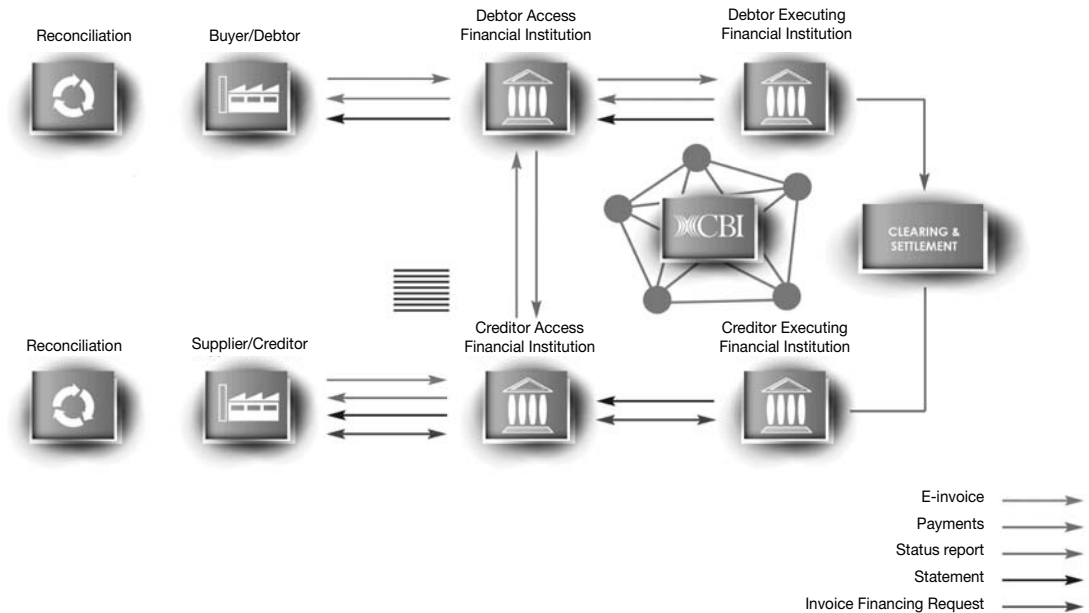


Figure 3 Service model: B2B e-invoicing



existing systems used by the extended business community (ie proprietary standards such as EDI, UN/EDIFACT, INDI-COD and others).

The CBI Service enables the activation

of document exchange, invoice financial request and payment orders, and supports automatic reconciliation between commercial and financial data (see Figure 3).

The model ensures that financial insti-

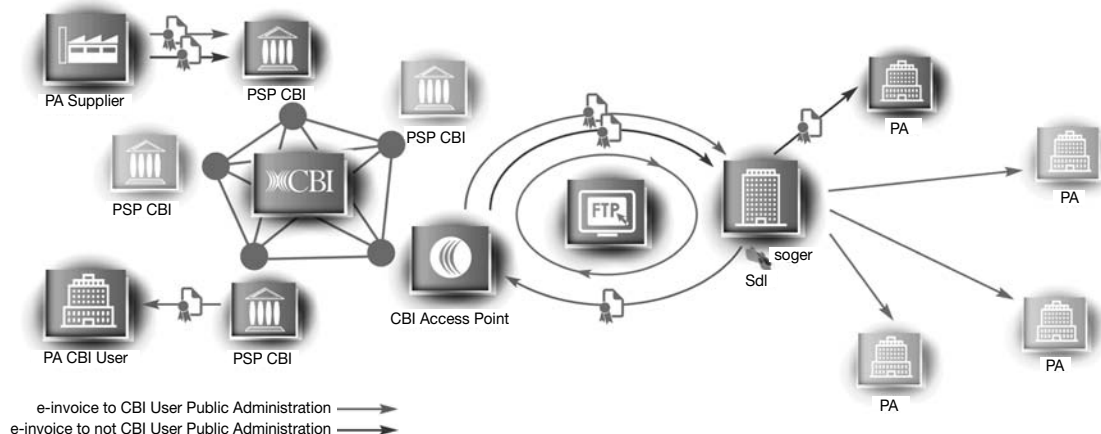


Figure 4 Service model: B2G e-invoicing

tutions connected to the CBI network can communicate directly, also sending and receiving invoices in a non-structured modality. This brings the best flexibility to the commercial relationship, relieving the parties from compliance with rules for the structuring of reference documents.

E-INVOCING IN BUSINESS TO GOVERNMENT AREA: THE CBI CHANNEL

Concerning the e-invoicing requirement for suppliers to PAs, Consorzio CBI has implemented the CBI 'PA Invoice' function, which enables members to send e-invoices on behalf of their creditor companies with reception on behalf of the debtor PAs (see Figure 4).

As regards the issue of the e-invoice in the business-PA relationship (business to government (B2G)), it should be recalled that the 2008 Finance Act (Article 1, paragraphs 209 to 214, of Law 244 of 24th December, 2007) sets out that it shall be mandatory for all suppliers of the Central PA to bill with e-invoicing through the technical arm Sogei, manager of the PA's interchange system.

Cooperation with the institutions on the issue of invoicing has enabled Consorzio CBI to take part in the principal national and international working groups, actively contributing to discussions, while also acting as an impartial arbiter in the PA-banking industry relationship, enabling B2G e-invoice interchange.

This endeavour then contributed to the publication of the second Implementation Decree 55 of 3rd April, 2013, making the use of e-invoicing with the Central PA mandatory (effective 6th June, 2014) and with the Local PA (effective 31st March, 2015), which is hoped to be the real driver towards the adoption of the e-invoice in the Business-to-Business (B2B) market as well. By effect of this last measure, the legislative framework making the use of e-invoicing with the PAs mandatory is formally completed.

Consorzio CBI has set out an architectural model enabling the transmission and, therefore, the issue of e-invoices to PAs over the CBI network. In particular, the new CBI 'PA Invoice' function enables a Consortium Member to interface with the Interchange System for

- transmission of e-invoices on behalf of clients (PA creditor firms);
- reception of e-invoices on behalf of client debtor PAs.

While the Italian Government is thinking about the activation of e-invoicing among private corporates to be included in the second package of implementation decrees for the tax delegation, the experience and competitive advantage acquired in this realm constitute valuable assets that the financial industry, through Consorzio CBI, will make available to corporates and the PA, both from a technical standpoint — to support the identification of pan-European interoperable e-invoicing standards, which will lead to the optimisation of the cost/benefit ratio, and for private corporates and for the PAs — and from the standpoint of regulation — to build legislative groundwork that will ensure full development of the initiatives and enhancement of those laws already enacted, maintaining all the requirements for Italy's competitiveness.

Consorzio CBI has, from its very beginnings, taken part in the work on the creation of a European e-invoice framework, being a member of the European Commission Expert Group on e-Invoicing.

Work was completed in February 2010 with the issue of the 'European e-Invoicing Framework Final Report', as well as five recommendations, with a technical delegation to the CEN. In September 2010, they began again in the guise of the new Multistakeholder Forum on e-Invoicing. All those interested in the project are taking part, with members from countries that have formally made up their own national e-invoicing forum, as Italy has done. The Multistakeholder Forum on e-Invoicing is in its second mandate. It is analysing the implications and connections of the issue with the new Directive on e-Procurement.

ELECTRONIC BILLING PRESENTMENT AND PAYMENT: THE NEW CBILL SERVICE

The Electronic Billing Presentment and Payment (EBPP) Services are new services that allow an enterprise/agency to send a bill to its clients telematically, enabling automatic payment through the internet and simplifying the accounting reconciliation processes of such services for the enterprise/agency.

Besides the companies that provide services for EBPP 'Biller Direct', the banking industry, in the role of Banker Aggregator, has achieved new EBPP solutions that allow the consumer to make, on banks' websites, payments to multiple billers that are pre-registered to receive payments.

In addition, as a new development, the banking sector is providing services for e-billing in multichannel logic that allows payments through several channels, such as home/corporate banking, automated teller machines (ATMs) and mobile phones, and multi-bank logic that overcomes the limitations associated with a single bank systems.

Multichannel and multi-bank logic are, in fact, considered specific success factors in the development and diffusion of such services.

There is a growing trend, both nationally and internationally, for the development of e-billing services that support the transmission and collection of expense accounts (such as bills) issued by creditors, with increasing interest in the integration of services offered by banks with EBPP functions.

The models now widely used internationally, involving an active role of the banking community, are based mainly on centralised multi-bank application platforms, which are often managed by operators already active in payment processing or document management.

The main international players in this sector are now offering EBPP solutions. Some of the main initiatives are listed below:

- OneVu — England;
- Isabel — Belgium;
- FIS — USA;
- Pagomiscuentas — Argentina.

The online services offered by financial institutions adopting the above-mentioned solutions allow electronic bill payment received from billers.

The Italian market has always been characterised by the strong presence of a few large billers who have developed proprietary web-based solutions for transmitting expense accounts and make a widespread use of postal coupons as a standard form of payment, therefore using the Italian Post Office system.

More recently, the need to integrate the document exchange process with the payment process has led several companies to enter into agreements with operators who have a strong local presence, such as supermarkets and tobacconists' networks. They also accept other payments, such as credit cards. This model allows the consumer to authorise payment of expense accounts at any local retail point.

The innovation in procurement processes has led Consorzio CBI to implement the CBILL Service, with the aim of enabling financial institutions to offer a new, more efficient bill payment system because of the benefits provided to customers and billers.

Consorzio CBI has developed this service on the assumption that the new multi-channel payment platforms will play a key role in introducing important benefits to citizens and billers in terms of improving the efficiency of processes (more simplified procedures and documents dematerialisation).

Looking at the target market size, the analysis shows that, in relation to the 630 million postal coupons issued and paid at Italian post offices each year:

- more than 50 per cent are issued by a few large billers;
- around 10 per cent are related to central PAs;
- around 10 per cent are issued by local PAs;
- the remaining 30 per cent are issued by small and medium corporates, and consortia.

Concerning the chosen payment channel, it has been found that:

- about 90 per cent are paid through the postal network;
- about 7 per cent are paid through tobacconists and supermarkets;
- just 3 per cent of postal coupons are currently paid through banks (home/corporate banking, bank counters and cashpoints).

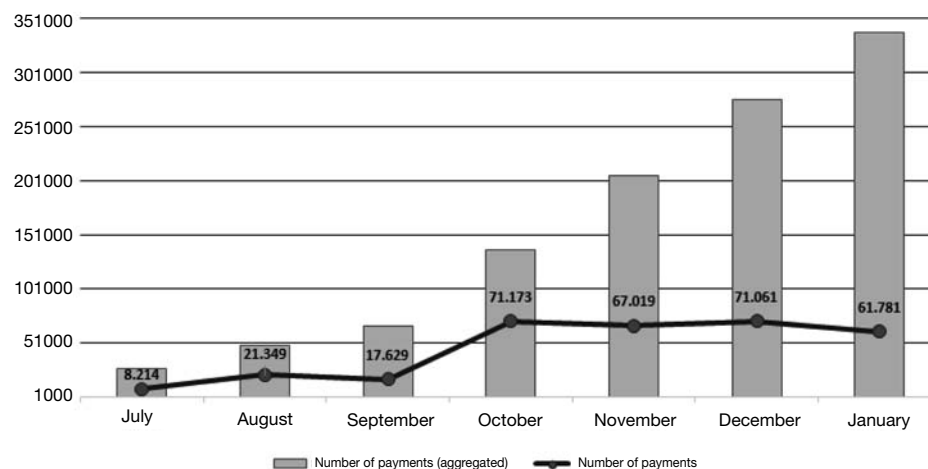
Cash is still the most commonly used form of payment, with all the limitations for customers and for invoicing companies:

- long queues to pay at bank counters;
- lengthy collection times.

The delay in using alternative channels is due to the public's low awareness and reluctance to use digital channels, but most of all to the strong predisposition of the banking industry towards the multichannel system.

According to a recent IPSOS⁶ study, 20 per cent of Italians prefer paying their bills online, while more than half consider the online platform to be the fastest, easiest method. Today, the possibility of paying bills, taxes and invoices online is limited to public or private corporates that have

Figure 5 CBILL Service: number of operations



Source: Consorzio CBI

restricted the connections to their banks.

CBILL overcomes the existing limitations on current bill payment systems based on one-to-one agreements between banks and billers.

Through current online bill payment services, a client can pay the bills of companies/PAs who have signed specific agreements with their bank.

With the CBILL Service, citizens and firms who have an online account at any financial institution member of Consorzio CBI can check and pay their bills online (ie the documents that notify a citizen or a business of an amount payable for a service or tax) for any companies/PAs joining the CBILL Service.

Aimed at retail, corporate and PA clients, CBILL enables billers to make bill data available to clients electronically. The clients will then be able to pay them using multichannel logic (eg home banking, ATM, mobile). Consorzio CBI's members may also offer their clients additional competitive functions associated with the CBILL Service.

In particular, the CBI Service will enable:

- the display of data from bills by debtors who have home/corporate banking;
- payment of selected bills and the subsequent issue to the debtor of a certification notification of the completed payment debit;
- reception by the creditor biller of a notification of completed payment containing the information required to process the reconciliation.

The CBILL Service enables payment of bills issued by CBI client 'billers' (eg multi-utilities), by local PAs (eg fines, TASI (local property taxes), auto registration, healthcare co-payments), event and public transport tickets (either to corporates or to PAs).

CBILL Service numbers

Since the official launch, on 1st July, 2104, 80 per cent of the CBI member banks were shown to be active⁷ in December 2014, while others are now completing their activation.

In December 2014, CBILL activated nearly 276,000 operations with a value of more than €38.8m. Each of these averaged

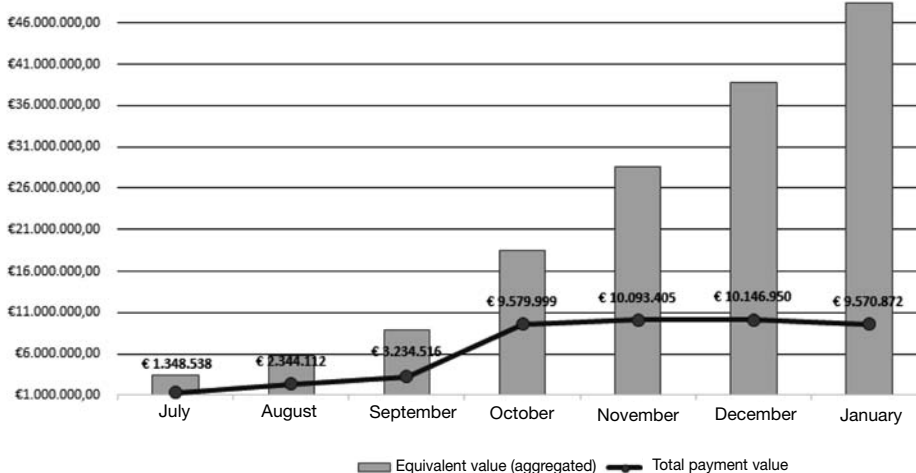


Figure 6 CBILL
Service: overall
value

Source: Consorzio CBI

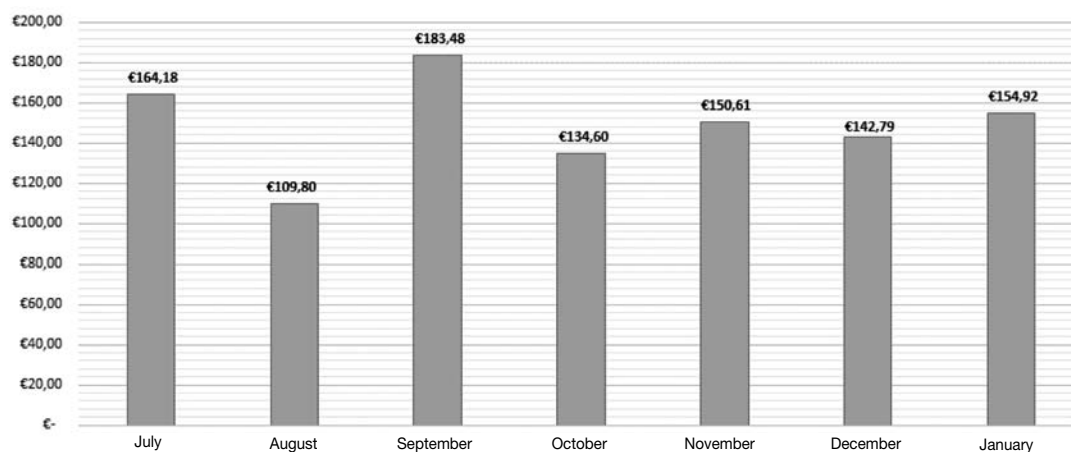


Figure 7 CBILL
Service: average
payment amount

Source: Consorzio CBI

about €140.00. In January 2015, CBILL activated nearly 338,000 operations with a value of more than €48.3m. Each of these averaged about €143.00 (Figures 5–7). These numbers look to be going up, considering that new billers have been signed up, including private corporates and PAs.

A ‘web educational’ site, <http://www.cbill.it>, has been launched to inform users of the benefits of CBILL. They can also find out what bills can be paid using the

service in the directory of partner banks and in the list of joining billers.

Depending on the commercial decisions of each bank, the service is available in multichannel mode, through:

- ~18 million accounts with online operativity;
- ~2 million mobile banking users;
- ~47,000 cashpoints;
- all bank counters.

MOBILE SERVICES

Today, smartphones inevitably affect people's behaviour. The possibility of finding information simply and quickly is inevitably a striking factor in people's habits. And almost all businesses must plan their business strategy to take into account the development of these devices and related technologies. The banks have, therefore, begun to adapt to the 'new world mobile', redesigning and developing specific strategies to provide the major online services.

In recent years, in fact, the bank world has seen the potential of the mobile channel and has acted relatively quickly. The services offered by banks have increased considerably in terms of both features offered and platforms used.

There is a strong trend to take advantage of the unique characteristics of mobile in order to strengthen the relationship with the customer. In particular, there is a tendency to offer innovative services via mobile in order to transfer assets from physical channels (eg branch) to the mobile channel and introduce innovations in managing relationships with customers.

Examples of innovative services in this field include:

- the ability to open an account via mobile;
- sending money to speed ATM cash withdrawal transactions;
- sending money to contacts in the address books of terminals or Facebook;
- calculating the profitability of investments.

The characteristics appreciated by clients are immediacy, speed of use of the information of interest and the ability to manage their own financial situations independently. The relevant component related to the context of use is that customers

might wish to take advantage of these services at particular times, such as in dead time waiting online or in cases of urgency.

Another innovation sweeping the world of mobile services is represented by so-called virtual portfolios (eg mobile wallet) that host service cards (payment, transport, loyalty, physical access, identification, health care) in order to use them in proximity. This is developing into mobile technological devices that can contain different payment instruments (credit cards, prepaid cards, payment initiators, mobile contactless payment application) used for the execution of payment transactions initiated by the owner.

The number of mobile wallet solutions has increased in the last 12 months, with a wide range of different solutions becoming available. As a result of the infancy of many of these solutions, they operate predominantly only in their own local country/territory with only a very small number demonstrating truly global capability.

CONCLUSIONS AND FUTURE DIRECTIONS

The evolutionary design implemented by the financial industry using shared CBI networks shows that it is at the cutting edge of solutions. This nurtured a virtuous cycle, with optimisation of corporate processes, fluid trade relations among companies, greater transparency in the relations between companies and financial intermediaries, and simplification of operations for access to credit.

The path of innovation inherent in Consorzio CBI's activities does not stop here. Analysis of the context and of the initiatives already started by the international interbank players has induced the Italian banking industry to invest additional resources in the development of cooperative services in support of Consorzio CBI. In its start-up of new development projects, aware of the fact that, through these,

the Italian financial industry can provide a new thrust to the implementation of 'digital economy' models.

Among the new projects are those dealing with 'big data', mobile services and support services for the dissemination of e-commerce in Italy. These projects will, no doubt, represent milestones for the re-launch of international competitiveness of the Italian financial industry.

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