

Success Story:

CHEVRON Community in the Amalto e-Business Cloud



Industry – Oil and Gas Exploration Services, Petroleum and Natural Gas Production, Petroleum Refining and Gasoline Service Stations.

Business Document Type – Invoices and associated supporting documents (like scanned Field Tickets), Quote Requests, Service Requests, Invoice Requests, Acknowledgements.

Format – PIDX (on Customer side) - CSV and Excel (on Supplier side)

Protocols –RNIF (on Customer side) - b2een, HTTPS, AS2 and FTP (on Supplier side)

Business Problem Solved – Manual keying in of Invoices into the Chevron Supplier Portal is time-consuming and inefficient for Suppliers.



About Chevron

Chevron is one of the world's largest integrated energy companies. As an industry leader, Chevron conducts business worldwide, engaged in every aspect of the crude oil and natural gas industry, including exploration and production, manufacturing, marketing and transportation, chemicals manufacturing and sales, geothermal energy, and power generation.

Context

Chevron required Suppliers to either send electronic Invoices (using the PIDX format and RNIF protocol) or to manually enter their Invoices on Chevron's portal. But only a very limited number of Suppliers were able to submit PIDX invoices – a compliance that can be only handled competently by those having the required expertise, capability and systems (B2B gateway, middleware, EAI solution). Therefore, most Suppliers were manually keying in Invoices in Chevron's Supplier Portal. For a Supplier submitting a few dozen or more invoices a month, this potentially meant many man-hours of an error-prone process and Chevron experienced some pushback for the Portal-based process.

Hence, the call was for a solution whereby all Suppliers, regardless of how they were placed in the technology, resources and capabilities continuum, had a faster, more efficient option for submitting invoices electronically.

Solution

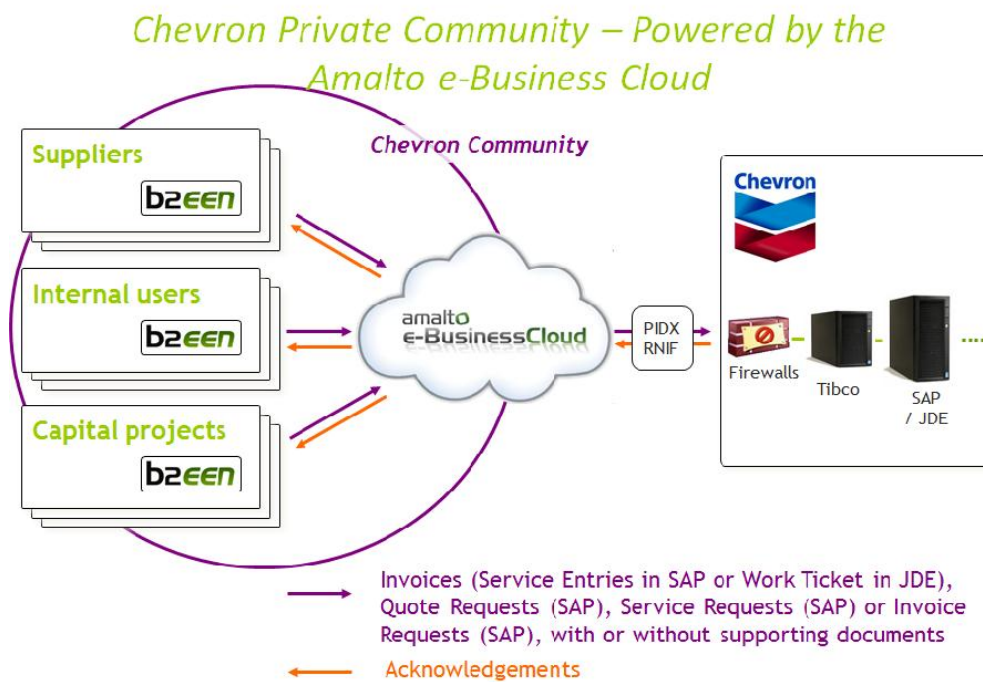
A Private Community was set up for Chevron, powered by the Amalto e-Business Cloud, which is accessed by Chevron Suppliers (the Community Members) via b2een® (either installed on-premise or the portal version).



Suppliers can generate their invoices using an Excel or a CSV template and submit them very easily (either locally dropped with related supporting documents - scanned field tickets or other documents in various formats - into a specific folder or attached in an email-like message via the b2een User Interface); upon submission, they are synchronously controlled and transformed by the Amalto e-Business Cloud. Required validation steps and business rules were defined by Chevron, the Community Leader. The validated, converted Invoices, along with associated supporting documents are sent to Chevron systems (in PIDX format, using the RNIF protocol) and Acknowledgments sent back in return.

Not only do Suppliers now have an easy, secure and cost-effective way of e-invoicing but onboarding is as quick as -- download of the b2een client software, set-up of few parameters, subscription to the Chevron Community and they are on their way!

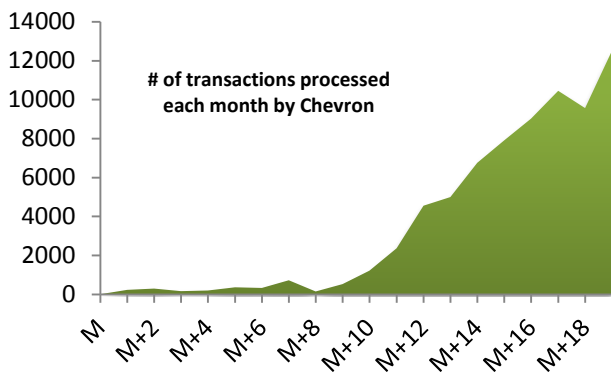
Additionally, new business documents have been set up, Quote Requests, Service Requests and Invoice Requests, and new user groups like Chevron Internal Users and Majors Capital Projects have discovered and are benefiting from the ease with which b2een and the Community allows to create electronic business document in Chevron Internal systems (Ariba Buyer, SAP and JDEdwards). Earlier, those documents could be generated only through internal system screens – they now can be pulled together much faster via b2een and the Chevron Community.





Results

Today, based on reports from Chevron, more than 20% of electronic invoices submitted by Suppliers go through the Chevron Private Community powered by the Amalto e-Business Cloud. Below, the transactional document volume handled by the Amalto e-Business Cloud for Chevron



What you will really save

AP Performance Area	Before Automation*	With Automation*	With Amalto
Invoice processing cost (PO & Non-PO Types)	\$27.00	\$12.00	\$5.00
Invoice Exception Rate	8.50%	3.50%	0%
Time to Process and Schedule Payment	23 Days	9 Days	4 Days
Payments Made On-Time	69%	75%	80%
On-Time Payments that Earn Discounts	47%	59%	65%
Payments Settled Electronically	34%	41%	48%

* Industry base data from the Aberdeen Group

What Chevron has to say about Amalto:

"The Chevron Community has allowed us to provide Suppliers that had virtually no B2B interface, an efficient solution for submitting electronic invoices. This in turn has resulted in many more transactions being conducted electronically than would have been originally possible."

--- Paul O'Shaughnessy, e-Procurement Supplier Integration Manager at Chevron Corporation