From Field to Finance: combining e-field tickets and e-invoices to reduce DSO

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Introduction to Amalto
80% of Amalto customers are in O&G

10 Large Corporations

15 1bn+ Customers (+ 00’s SMEs)
Introduction to Amalto

Amalto customers (Sell Side) belong mainly to these categories

- Oilfield Services
- Material & Hardware (Drilling, Electric,...)
- Well Chemical Products
- Logistics (Trucking)
- Tool and Equipment Rental
- Waste management
- Construction

High volume of business document exchange and specially Field Tickets and Invoices with multiples customers
Introduction to Amalto

Common profile

- At least 20 to 50 main customers
- Combined with multiple BUs it means **hundreds of trading partner relationships**
- **Thousands of transactions per year**
- Either paper or via portals, very limited integration
- Field Tickets not automated at all
- Low visibility on paid/unpaid invoices (credit collection)
- **DSO reduction objective**
SUPPLIER: How many customers do you have?

- 500 and above: 21.5%
- From 100 to 499: 17.4%
- From 10 to 99: 46.3%
- Less than 10: 14.8%
Which of the following document standards and protocols have been adopted by your company?

- None of the above: 75.9%
- Other XML: 29.3%
- PIDX: 6.9%
SUPPLIER: Back office solution used for invoicing, grouped by number of invoices sent per year.

- Tier-1 Market solution (SAP, JDE, MAS 500...)
- Middle-Market solution (MS Dynamics, MAS 90 & 200...)
- Entry-level solution (Quickbooks, Peachtree...)
- Oil & Gas specific solution
- None of the above
Focus on Tier 2 Oilfield Services
DSO brings OFS to e-transactions

Working Capital Efficiency

YTD 9/30/2010

Days Sales Outstanding (DSO)
Days Inventory Outstanding (DIO)
Days Payable Outstanding (DPO)
Days Working Cap. (DWC) = DSO + DIO - DPO

HAL
Peer Average
Focus on Tier 2 Oilfield Services
DSO brings OFS to e-transactions

Who are our best friends?
- CFO
- A/R Mgr
- Credit collection Mgr

Why?
- Because they need to reduce their DSO
- **Automation of field ticket to invoice process** is the key driver
- They want **end to end integration** between their ERP and their customer’s ERP.

A measured approach to managing oilfield services consolidation KPMG 2010
Focus on Tier 2 Oilfield Services
DSO brings OFS to e-transactions

DSO Project from an existing customer

- Customer currently processes +/- 900 invoices per month
- DSO: Currently 100+ days
- Target: 60 days
- First step is to reduce DSO by 7-10 days
- Estimate: for every 10 days of DSO reduction, $100,000 cash flow improvement
Focus on Tier 2 Oilfield Services
Rational to adopt B2B (testimonial from an existing OFS customer)

- Submitting invoices on **multiple platforms**, need to reduce manual processes, FTEs, lower costs and follow best practices
- Wanted document exchange **reporting**- invoice acknowledgement with instant feedback about any errors.
- Recognized that a fully automated solution integrated with its PeopleSoft ERP (sending invoices and associated supporting documents, e.g. field tickets), was more efficient than keying in data to customer or marketplace eBilling portals.
- Expected to **improve its DSO resulting in improved cash flow**.
- Wanted its solution provider to offer **full management** with **little to no resources from OFS Co.**
- Its customers have standardized on **PIDX XML**. Critical for chosen solution provider to be proven experts in transforming CSV files into PIDX compliant invoices
- OFS Co wasn’t only looking for technology but were particularly for the “**services**” that the solution partner provided
b2box presentation
b2box for integrated B2B exchanges with the enterprise's trading partners

Enterprise

Supplier

Client

Hub

amalto
Support, monitoring & application management

ERPs, legacy systems, accounting solutions, databases...

ERP format

Client's format & protocol
**b2box presentation**

**b2box**, the packaged solution enabling B2B exchanges and back-office integration

- **Ready-to-use** and **packaged solution** (software + service) for **integrated B2B transactions**
  - Delivered ready to perform the expected business document flows
  - Available **On Demand** or **On Premise**, in a very **limited timeframe**

- From a technical standpoint, the b2box software handles
  - **electronic** exchanges of **business documents** (quotes, orders, invoices...) with multiple trading partners, directly or through hubs
  - **integration** with any back-office system / ERP / accounting software

- **Highly adaptable to changing needs**
  - new trading partners, new business document types, new transport protocols, new or updated or migrated back-office systems...

- Amalto can provide **full management, operational monitoring** and **proactive support** of the b2box
Case Histories
ALL PIDX customers but different PIDX flavors and different transport protocols

- Devon
- Encana
- Forest Oil
- SWN
- XTO

- Anadarko
- Chesapeake
- Chief O&G
- EOG
- Exco
- Newfield
- Noble
- Questar
- Rosetta
- ...

OFS Co

Field tickets

CSV file

Navision

Support, monitoring & application management

PIDX RNIF

PIDX RNIF

PIDX RNIF

PIDX AS2

PIDX RNIF

PIDX RNIF

Oil&Gas

b2box

PIDX enabled

Navision

Navision

amalto

Ineltex.com

Chevron

ConocoPhillips

ADP
Case Histories
Multiple BUs and multiple billing systems

- PIDX RNIF
- Field Tickets
- Invoices
- Receipt Acks

- OFS Co
- Multiple Superior Company Subs
- Sub 1

- PIDX RNIF

- PIDX RNIF

- cXML HTTPS

- PIDX RNIF

- XML HTTPS

- Anadarko
- Chesapeake

- Devon
- Encana
- McMornan

- ExxonMobil

- Apache

- Ariba
- Chevron
- Cortex
Case Histories
Leveraging the On-demand/ Private Cloud model

OFS Co

Invoices & Field Tickets

Receipt Acks, Exceptions

Support, monitoring & application management

ConocoPhillips

ADP

OXY

Chevron

ARIBA

ExxonMobil
Case Histories
Managing a very large number of customers and a rich suite of document types

Supporting documents

OFS Co

SAP R/3

Support, monitoring & application management

RFQ, Purchase Order, PO Change & Cancel, Acks...

PO Response, ASN, Invoice, Acks...

IDOC

SFTP

TBD

PIDX

RNIF

TBD

xCBL
https

7 Customers

xCBL
https

6 Customers

cXML
https

12 Customers

PIDX

TBD

Other marketplaces or Portals

X Customers

Other direct Customers

Baker Hughes

Ariba

OFS Co

Hubwoo

Quadrem

PIDX enabled

Oil & Gas

b2box

amalto

Supporting documents

Support, monitoring & application management
Amalto + Spira Data
Seamless integration from field to finance: e-field ticket + e-invoice automation

• Field Users fill Field Tickets which may or may not go to the end customer for approval before being converted into invoices.

• Invoices are sent to both the ERP and to the customers with its supporting documents.

• Spira sits behind the customer firewall and is fed with master data from the ERP.

• The b2box can support all the protocols (RNIF, HTTP/S, FTPS, SFTP, etc.) and formats (PIDX, cXML, xCBL, custom XML, EDI, CSV, etc.) used in the Oil & Gas Industry.
Amalto: your “outsourced internal” partner for B2B integration in O&G

- **Track record project completion** (19 days to connect Peak energy Services to ConocoPhillips with an RNIF/AS2 connection)
- **Growing your B2B solution with your business** (20 BUS added for Select Energy Services in 12 months with 100 trading partner relationships)
- Full customer support services including **monitoring of transactions, issues reports, alerts or notifications** to help streamlining your A/R department
- **A low cost model** with a high ROI and a short pay-out (no transaction fee)
- **A dedicated team** knowing your territory because they have completed similar projects with your peers