Getting Down to the Business that Matters

ELECTRONIC FIELD TICKETING
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INTRODUCTION

Many aspects of the oil and gas world still run on paper—from paper billing to paper records. Traditionally, a paper trail is good to have, but with 21st century advancements and increasing demand for petroleum production, traditional paper operations are leading to inefficiencies that cause bigger headaches than the paper is worth.

A lot can go wrong when paper is involved. A paper process often invites missing, inaccurate, and illegible information. And it’s not just about what’s on the paper but the actual paper itself. Paper gets lost. Paper gets pushed aside. Paper is expensive to route from person to person.

With the technology boom and introduction of cloud-based services, all oil and gas companies recognize the benefits of eliminating paper. Paperless engagement means less errors, pre-validation of information, quick delivery of invoices for review and approval, and automatic integration with back-end systems.
Electronic solutions can help eliminate some of the biggest challenges of field ticketing and invoicing:

- Wasted time waiting for, reviewing, and approving field tickets.
- Wasted time waiting for approved tickets.
- Wasted time and energy with entry of duplicate information on invoices.
- Wasted time and energy on reconciling, identifying, and following up with exceptions.
- Limited visibility for engineers and executives to access field data for spend analysis and key decision making.

FIELD OPERATORS
Verifying and signing off on service work performed is the easy part. It's the paper that's a hassle. Approvers need to ensure the work performed matches the information on the paper ticket including codes for invoicing. It takes time to review paper tickets which may be scrawled with illegible or inaccurate information.

ACCOUNTS PAYABLE
When invoiced, the accounts payable department has quite the job ensuring submitted invoices match associated field ticket information. After the lengthy review process, exceptions need to be dealt with. This means using up more man hours and valuable resources to correct errors.

UPPER MANAGEMENT
In the upper echelons where key decisions are made about moving forward with operations and planning future jobs, visibility suffers when field data is slowly progressing through the approval process. How do they make decisions for tomorrow if they don’t have the data to analyze to decide today?

SUPPLIERS
For suppliers, one of the biggest impacts of slow paper processes is high Days Sales Outstanding (DSO). Slow processes are attributed to service charges that don’t match existing contracts or previously stated agreements as well as chasing down approvers for proper coding and sign-off.
Apart from time wasted waiting for field ticket submission, field approvers spend excessive time on deciphering and verifying the information, then providing the correct codes for invoicing when they can be performing higher value work in the field.

The service provider’s paper problem directly impacts the time and effort required to review and approve tickets. When seeking ticket approval on paper, service providers must “chase” field approvers for on-site approvals. Even if paper tickets are electronically captured on mobile devices for submission, they still require routing to the correct approver. Timely field ticket delivery may be problematic especially if field approvers are off shift, transient, or office-based.

SHRINKING THE PAPER MOUNTAIN

Field approvers deal with a mountain of paper tickets that often comes with incomplete or missing information. Validating unsupervised work as well as searching for correct codes can be very time consuming. For tickets with missing or incorrect codes, reconciliation and follow-up can be very costly—ranging from unnecessary man hours to missed supplier discounts due to long approval and payment times.

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THESE GOLDEN, EASY TO APPROVE FIELD TICKETS AREN’T AS ELUSIVE AS YOU THINK.

The Golden Ticket for Field Approvers

According to Andrew Bartolini, Chief Research Officer at Ardent Partners, organizational priorities over the next two years will include automating more processes. With the growing burden of manual processes and paper, this is an opportune time for operators to implement an electronic solution that promptly delivers accurate field ticket information and facilitates quicker approvals for invoicing and payment. With an electronic solution, operators also gain increased visibility for smarter cost management.
MAKE IT EASIER FOR SERVICE PROVIDERS TO SUBMIT CONSISTENT FIELD TICKET INFORMATION

Shorten field ticket approval times from weeks to days or even hours. Give service providers a field ticket template that includes the information you need to quickly review and approve. Exceptions can be quickly identified for further review and/or resolution. Advanced electronic solutions may even auto-populate and validate the ticket’s information.

REVIEW AND APPROVE ON YOUR CLOCK

An electronic process can automatically route electronic field tickets to the appropriate approvers, whether they are in the field or the office. With a virtual stack of field tickets, field approvers can review, code, and approve from anywhere at any time.

SAVE MONEY WITH QUICKER APPROVALS

Automated coding and validation on an electronic ticket is done before the early pay discount clock starts. Integration with electronic invoicing could even allow approved ticket information to be “pushed” or “flipped” onto invoices and workflow rules can automate 3 or 4 way matching between invoices, tickets, contracts, and purchase orders. With the system doing the grunt work, operators will improve their supply chain relationships and process payments faster to realize potentially huge returns on cash.

OPTIMIZE PROFIT WITH INCREASED VISIBILITY

Associating critical site and project level information soon after service completion allows engineers to review costs and budgets in real-time. With more granular data and better analytics, key decision makers have more of an immediate in-depth understanding of committed costs and opportunities for profit optimization.

Those golden, easy to approve field tickets aren’t as elusive as you think. Conquer that paper mountain with an electronic field ticketing solution that allows you to get back to the business that really matters.
THE PERFECT MATCH

Ensure that the right information is being invoiced with an electronic tool that pre-populates and/or pre-validates information for your field service providers. An electronic solution also ensures field data is entered consistently, making it easier for field supervisors to approve. Once the field ticket is approved, there are special workflow features that facilitate invoice submission, review, and approval.

Advanced solutions will allow electronic tickets to be pushed or flipped into an invoice. This guarantees the information on the invoice matches the information on the field ticket. Specialized invoice workflows will get the system to verify the ticket information on an invoice. Operators can configure workflow rules to look for things like wrong coding or duplicate ticket references. (If your company has automated other areas of your P2P workflow, an advanced solution will allow you to configure workflow rules to look for matches between an invoice and your other electronic documents such as contracts and purchase orders.)

If the invoice information does not match the field ticket information, the workflow rules can be configured to place an alert on the invoice, notifying AP staff that the invoice requires additional review.

When all workflow rules have been considered and the invoice information matches the ticket information, you can set up the system to automatically approve the invoice.

Best in class AP departments report that over half of their invoices are processed straight-through. For a truly “touchless” invoice, your entire P2P workflow must be fully automated.
GAINED EFFICIENCIES AND SAVINGS
The savings from a digitized field ticket to invoice approval process can be measured in a number of different ways:

**Increased productivity.** By automating the task of matching field ticket information to invoice information, AP teams can reallocate staff to focus on invoice exceptions. The system may even send notifications to specific staff when invoices require attention.

**Increased Early Pay discounts.** Accurate field ticket information decreases the amount of time it takes to submit, approve, and pay invoices. Companies can take advantage of more discount opportunities. As much as 80% of discount opportunities are missed because it often takes weeks to code, verify, and approve invoices. With electronic field tickets, coding can be pre-approved before the early pay discount clock even starts. Field service providers will be able to submit more invoices electronically, thereby increasing opportunities for discount savings. And with a higher volume of electronic invoices, the average cost per invoice can be reduced by as much as 67%.

**Increased visibility.** By digitizing the process from field ticket to invoice approval, key decision makers have access to near real-time spend visibility. Gone are the days that engineers and senior executives need to wait weeks or months for critical site and project level information.
Accounts payable has evolved into more than just a tactical function. Best-in-class companies are automating more of their basic accounts payable functions to not only increase staff productivity but to better evaluate current cash positions and optimize savings. AP is transforming into an intelligence center with the ability to capture the most complete picture of business health.

In today’s economy, companies are keeping their heads above water with the expectation of receiving more for less. Staying competitive means executives are thriving on things like access to accurate information as soon as possible, value-added supplier relationships, and opportunities to optimize working capital. All the while, managers and financial professionals are tasked with lowering costs, increasing cycle times, increasing productivity, and effectively delegating available resources.

With real-time access to data, procurement teams can start to predict and prepare for potential issues that suppliers may be facing. From a treasury perspective, real-time spend visibility provides teams with a better understanding of cash flow and the measures required to maintain liquidity (e.g., supplier payment strategies).
Accounts Payable is the Biggest Fish in the Pond

Various areas within an organization can benefit from implementing a tool that improves visibility and accuracy of data. By providing real-time transparency across departments like treasury and procurement, companies can better plan for things like working capital optimization and supplier management.

Greater visibility doesn’t just include internal efficiencies. Better supplier collaboration and communication throughout the entire P2P process allows for greater understanding of your supply chain relationships. “Having much tighter relationships with your strategic suppliers ultimately positions the organization to become much more agile and much more competitive,” says Ardent Partners’ chief researcher.

Set your hook for success and make smarter decisions with an intelligent AP hub. Allow your teams to work together, not in silos. Automate more of your P2P workflow: purchase orders, field tickets, contracts, invoices, and payments. The more you automate, the bigger the picture your AP hub can provide to your enterprise.

Accenture estimates that nearly two-thirds of oil and gas companies manage analytics by specific function or department. These departments work in silos, collecting and making decisions based on their own information. The majority of companies admit that these silos have negatively impacted their business goals. Data silos reduce enterprise visibility.

Ardent Partners indicates that the top influencer of AP technology investments is the need for greater visibility and access to information. The move towards greater organizational efficiency has required teams to collaborate more, share resources, and align their goals.
ACCOUNTS RECEIVABLE BENEFITS

Money unnecessarily tied up in receivables is money that could be invested in the business or returned to shareholders. The sooner cash can be collected, the sooner it can be used for other operations. The lag time in collecting cash results in high DSO.

High DSO is mainly attributed to major customers who have the purchasing power to stretch payment terms and renegotiate contracts. In an environment of low prices, contracts are renegotiated to reduce supply chain costs but then also reduce profit margins. For field service providers, liquidity is critical for survival until prices rise and contract rates improve.

With minimal cash flow, companies may become dependent on their line of credit or factoring service. Working capital efficiency is important as debt becomes less attractive with rising interest rates. As opposed to debt, cash extracted from working capital doesn’t have to be repaid and doesn’t add leverage to the balance sheet.

YOUR WORKERS ARE WASTING TIME AND ENERGY CHASING FIELD APPROVERS WHO MAY BE OFF SHIFT, TRANSIENT, OR OFFICE-BASED. SUBMITTING ELECTRONIC FIELD TICKETS WILL RESULT IN FASTER ACCOUNTS RECEIVABLE TURNOVER AND ULTIMATELY MORE LIQUID CASH.

A company’s financial strength is determined by many things including its working capital. Investors will evaluate opportunities based on a company’s DSO and cash conversion cycle (CCC) track record. A company with high DSO may be a poor investment choice since work is being performed mostly on credit and cash flow is minimal. Working capital is the most rapid and controllable source of improved shareholder value.
5 WAYS TO GET YOUR CUSTOMERS TO PAY FASTER

Your company has a lot to benefit from your customers' current electronic processes. You can help streamline the document workflow process with a solution that complements your current field ticketing system. Prompt field ticket delivery and submission of consistently accurate information will remove the bottleneck often found in procure-to-pay workflows.

An electronic process will make things easier for your customers to review, approve, and pay.

01 Get rid of the paper. Implement an efficient way to capture and deliver field tickets. This may be a simple as snapping a photo of your paper field ticket or as sophisticated as using a mobile application to input information and submit directly to your customer. You’ll no longer need to worry about losing paper between sites and offices.

02 Skip the mailroom. Transmit your field ticket electronically to your customer. Instead of waiting a week for your customer’s receptionist to receive and route your field ticket, an electronic tool can deliver your field ticket to the appropriate field supervisor instantly.

03 Provide the right information the first time. Before submitting your field ticket for approval, ensure you capture the information required by your customer. Use an electronic tool that provides pre-populated information or field validation. An electronic solution also ensures field data is entered consistently, making it easier for field supervisors to approve.

04 Make it easier for customers to realize discounts. Discounts provide incentive for faster payment, but slow paper processes often result in customers losing out on discount opportunities. Electronic field ticket coding and validation can be done before the Early Pay discount clock even starts.

05 Keep your finger on the pulse of what’s happening. Not only will it be easier to create and submit a field ticket, but an electronic tool will also let you track the status of your ticket in the approval process. If your ticket is stuck in the approval phase, be proactive and follow-up with your customer to see if there are any issues that you can help resolve. And if your ticket has been disputed? Online tracking of your ticket may also include real-time notification so that you can review issues immediately.
CONCLUSION

Digitizing the process with electronic documents can vastly improve the time and resources wasted on a paper field ticket and invoice process. An electronic system would not only reduce the amount of errors and guess work, but it would also shorten the gaps of information from service work performed to invoice approval and payment to spend analysis.

We invite you to learn more about how OpenInvoice can improve your company's productivity, cost savings, and strategic initiatives.
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