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EVER-SO-EASY INVOICING & EVEN EASIER APPROVALS

eInvoicing gives you instant access to every invoice received, with the ability to easily circulate invoices around your team - gaining the necessary approvals and tracking them at every step along the way. eInvoicing isn't new - some of our team have been implementing electronic invoicing solutions since 1995 - but, we're regularly surprised at how many companies are still operating a manual system and shuffling paper invoices around. Paper might be a seemingly cheap solution, but it's inefficient to work with, difficult to manage, easy to misplace and impossible to report. eInvoicing really is one of the easiest systems to implement and offers immediate benefits for oil and gas companies.

Easy to implement at a time that suits you - eInvoicing solutions don't necessarily require a huge initial outlay and can remain scalable as your company grows. Full-blown procurement systems are sometimes regarded as overkill for smaller oil and gas companies, that don't yet require full procurement functionality. But, eInvoicing can be implemented as a stand-alone system, or, with forward planning, eInvoicing can be implemented as the first phase of a comprehensive suite of systems - building up to procurement and ultimately leading to enterprise asset management - supporting your business as it grows, along with the requirement to manage increasingly complex contracts.

Traditionally, when paper invoices are received, they're stamped and then covered in notes and multiple approval signatures, making the detail less and less legible - sometimes resulting in yet another piece of paper being stapled to the front of the invoice to handle coding and signatures - making it nearly impossible, or at least very slow and frustrating, to search for a particular invoice. Now, invoices are predominantly emailed as PDFs - you can print them if you really need to, but as soon as an invoice is received it can easily be registered into an eInvoice system. This could be done by anyone, but it's likely to be an accounts administrator, accounts payable, or perhaps outsourced to an external company that handle your accounts on your behalf. Once entered onto your system each line should be coded to a particular cost-code to ensure purchases are correctly allocated to the appropriate AFE. Digital notifications should be set-up to request that the relevant individuals log-on to the system to review

invoices for correct coding - checking them against the PO and comparing them against contracts or framework agreements. Having completed the checks, invoices can then be circulated for approval.

Busy oil and gas executives are frequently away from their desks; working from a different office, working on-site, working from home, probably working while on holiday, out of the office networking or deal-making across the globe. It's difficult to pin them down, let alone tie them to their desks. If you're operating a paper-based system and they're away - not sifting through the pile of paperwork that's stacking up on their desks - invoices are stuck at approval stage and not progressing through your system. Suppliers end up having their payment terms pushed and you ultimately run the risk of suppliers putting your account on stop and potentially causing serious interruptions to operations. Some companies resolve this problem by manually listing received invoices in an invoice register, before physically forwarding them to the approver. But, invoices get lost in deep layers of antiquated processes, making it almost impossible to find an invoice or simply report the current status of invoices to suppliers. eInvoice systems store an image of your invoice along with all the associated information, making it very easy to log-on, view and track invoices, review the details and approve for payment... from anywhere in the world!

Each individual responsible for approving invoices should have a specified level of authority, perhaps pre-agreed by the board. Based on the type of cost - whether it's consultancy, operational, drilling or office expenses - notifications of the invoices should be automatically sent to the individuals, with the correct delegation of authority, for their approval. Lower value invoices might only require the approval of a single individual or simply matching to an order once goods have been receipted, but as many invoices in oil and gas are often high value, invoices would normally be sent to multiple individuals for multi-layered approvals.

Small and mid-cap companies tend to have small finance functions. Your team is probably operating at maximum capacity and it's unlikely anyone will actually have the time to run around with paper invoices, chasing approvals.

Even if your entire team is contained within the same office - disturbing key individuals when they're busy and interrupting their flow can be an unwelcome and costly distraction. A system will enable you to set-up auto-notifications, as reminders for someone to complete their approvals. These gentle reminders could be once a day, twice a day, once a week - encouraging approvers to respond sooner and speeding up the whole approval process. And, in the event that an approver is unavailable, you should be able to reassign an invoice, with all the collected information already linked, to a new approver.

Before posting invoices to a finance system, you might need to request additional information or clarify some of the details. You should be able to link comments to an invoice in your system and recirculate to the necessary individuals. Once approved your invoices should be posted into your finance system - either manually processed or your eInvoicing solution could be configured to post your invoices directly into your finance system automatically. And, subject to final approvals - confirmation that there's enough money in the bank, or your company might have a financial cap on each payment run - the invoices in your finance system should all be approved and therefore ready for payment. Having this level of detail and control will improve the efficiency of each stage of the process - improving cash management and increasing the chances of suppliers receiving payment in good time.

The amount of internal communication generated by chasing invoices is considerable, but with an easy and accessible system, everyone will have sight of the current status of invoices and can immediately feedback or request further action. eInvoicing gives you sight of the invoices you've received, where they are in the process, and who they're sitting with - maintaining a 'paper trail' of all the information recorded. And, using secure digital signatures you'll keep an account of who's approved each invoice and when. You'll be able to track invoices by their due dates, their value or who's responsible for approving them. You can even configure reports that give you the ability to drill-down and view the invoice image - giving your team the ability to self-serve all the information they need, rather than having to phone around, chasing invoices and following up with everyone.

With a few good decisions and a little good fortune, oil and gas companies can grow very quickly. It's common to hold back until a need is imminent before investing in back-office systems, but in our experience, this can be a little late. We believe in having the confidence to implement solutions in anticipation of growth - giving your team the time to familiarise themselves with new systems and processes while benefitting from the advanced functionality early. Then, when the time comes, and your company moves from non-operator to operator, or completes that acquisition, you and your team are completely prepared and ready to handle the increased workload.



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