P2POWERING ACCELERATED PURCHASING AND R2RAPID COLLECTIONS FOR A MAJOR OILFIELD SERVICES PROVIDER

Capgemini utilizes Business Insightful Services with ADMnext to expedite P2P processes and R2R month-end closures

As a global leader in oilfield solutions, this organization employs well over 100,000 professionals and provides the industry's widest range of products and services from Exploration to Production. To improve operational efficiency and the overall experience of its suppliers, employees, and customers, the company wanted to improve the efficiency of its Procure-to-Pay (P2P) and Record to Report (R2R) functions.

Within the organization's P2P processes, an average of three special character invoices in their Account Payable (AP) ERP system were generated every month. These invoices would become stuck in back-end AP tables such as AP Invoice, AP Distribution, and AP Payment, and could not be processed further. Overall, around 100,000 open accounts payable invoices representing a total value of 1,325 million USD were getting stuck every month. This adversely impacted the transfer of all open invoices to the next month for further processing. Special character Invoices could not be deleted directly and needed to be deleted manually in the database from the back end. This required an additional six to seven hours of database fix activity each month, along with corresponding system downtime during month-end close (AP closure).

In addition, this was causing delays in processing for other modules such as Purchase Orders, Inventory Control, and General Ledger, leading to further delay of month-end closures. Meanwhile, the company was looking to speed up the execution time of its R2R processes when running GL reports for current and past periods. The slower speed affected the early availability of management reports, which in turn made management BI reporting more challenging. To rectify these issues, the company reached out to Capgemini.

Client: A leading provider of oilfield services

Industry: Energy Transition and Utilities (ET&U)

Client challenge:

To improve operational efficiency and the overall experience of its suppliers, employees, and customers, the company wanted to improve the efficiency of its Procure-to-Pay (P2P) and Record to Report (R2R) functions.

Solution:

Capgemini leveraged its Business Insightful Services with ADMnext to ensure efficient and timely completion of P2P processes and R2R month-end closures.

Benefits:

- The smooth transfer of 100,000 open accounts payable invoices to next month's payments cycle
- Reduced AP ERP system downtime by eight hours per month
- Saved eight hours in manual efforts per month
- Zero reported incidents within P2P and AP processes
- 50% reduction in GL report execution time
- Reduced current period job execution time by around 7%
- Early availability of management reports at month end thanks to a 57% improvement in GL report runtime
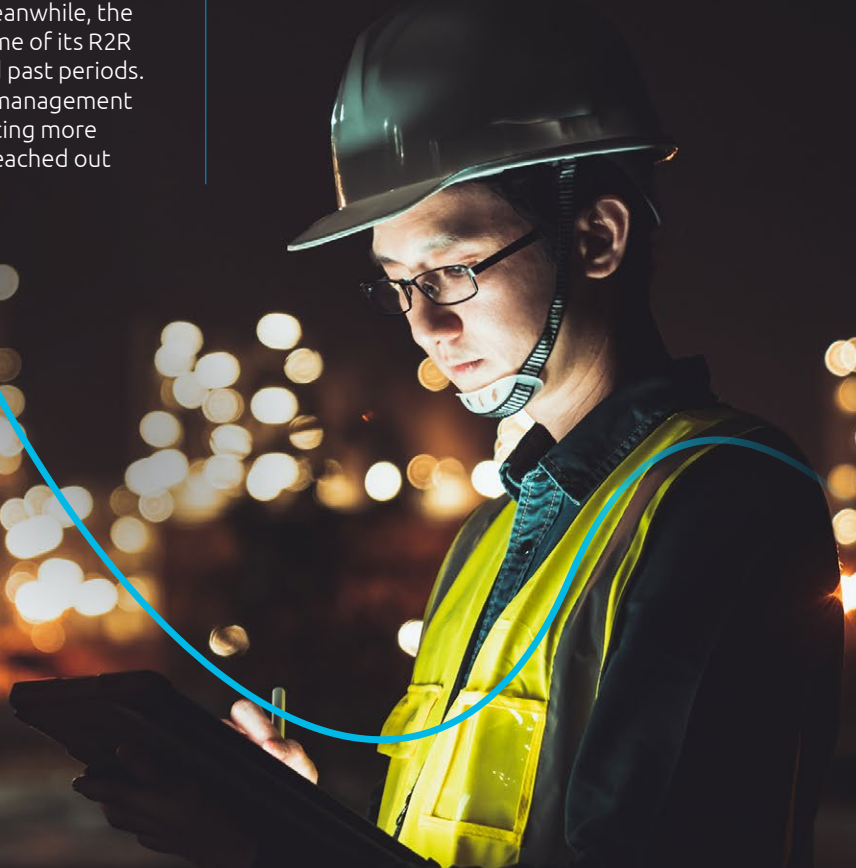
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P2P and R2R acceleration with Business Insightful Services

The Capgemini team began by collaborating with the organization to identify the most pertinent business KPIs and linked smart AM KPIs to be measured within P2P and R2R processes. Capgemini's Business Insightful Services (BIS) within the ADMnext offering proved central to this identification process by aligning IT portfolios with business objectives to drive progressive business process improvements.

For P2P KPIs, these included the reduction percentage of total monthly invoice cash value held up by faulty processes and AP ERP system downtime. Within smart AM KPIs, the company wanted to measure the percentage of stuck invoices stemming from special character issues.

Meanwhile, the company was keen to track the percentage reduction in GL report execution time as part of its R2R KPIs. While applying smart AM KPIs with BIS, the organization was looking to measure the percentage of improvement in job execution time by restricting the data processed with the application of filters.

Utilizing BIS, the Capgemini team was able to effectively monitor all the above KPIs and pinpoint the root causes of IT system issues. Based on these measurements and findings, BIS automation enablers were deployed to automatically detect, address, and prevent the identified disruptors. These tools effectively ensured a substantial improvement in P2P, accounts payable, and R2R process efficiency.

Overall, the collaboration between the oilfield company and Capgemini resulted in the following benefits:

- The smooth transfer of 100,000 open accounts payable invoices representing over 1,325 million USD to next month's payments cycle while eliminating any impact on cash balances

- Reduced AP ERP system downtime by eight hours per month

- Saved eight hours in manual efforts per month

- Zero reported incidents within the P2P and AP business value chain after the deployment of BIS solutions

- Seven-hour reduction in GL report execution time (a 50% improvement) without any impact on report data

- Reduced current period job execution time by around 12 minutes (7% improvement) with no impact on the report data

- Early availability of management reports at month end thanks to a 57% improvement in GL report runtime.

Striking a long-lasting partnership

The partners are keen to expand upon the benefits derived by Capgemini's BIS. This will include implementing BIS solutions within other functions of the company's business in order to better monitor process effectiveness with targeted KPIs and deliver heightened efficiency all throughout the organization.

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