



# Oil & Gas

## Leading energy company automates accounts payable processes

One of North America's leading energy transportation and service providers capitalizes on their record of profitable growth to review internal processes. This 10 billion dollar organization started as a conventional pipeline provider for natural gas but has since expanded into transporting crude oil, ethane, propane and butane and natural gas processing. They are expected to have over \$1 billion in capital projects in 2013.

Large capital projects mean large quantities of invoices. The company receives more than 700 invoices by email alone...per day! When RKO first began working with the company, invoice management was paper based, making it difficult to account for late payment fees, lost invoices and early payment opportunities. Visibility into the overall outstanding payables balances was a challenge. A paper based process also made it difficult and time consuming to search for invoices when needed.

They saw the value of electronic processing right away, knowing it would make invoices easier to find, reduce the risk of losing invoices, increase information security and the invoices would take up less physical storage space. The department is also diligent about meeting SOX and Canada's "C-SOX" and knew the technology would improve internal controls to ensure compliance with Bill 198.

## Overview

### Challenge

A mid-sized oil & gas company receives more than 100,000 invoices by mail and email per year with limited tracking and manual paper-based workflow.

Upon acquiring a new company with electronic processes, the Accounts Payable department wanted to adopt the new company's processes but with a more modern enterprise content management system.

### Solution

The company implemented IBM Filenet, Datacap and Content Collector which centralized invoice processing and allowed them to retrieve invoices electronically.

### Benefits

The Accounts Payable department now has visibility into the number of invoices received, what each invoice's status is and can find disputed invoices easily and without error. Their improved internal controls contribute to the company's SOX & C-SOX compliance.

## Technology Implemented

- IBM FileNet P8
- IBM Datacap
- IBM Content Collector

## Future Plans

Next phase will call for integration to SAP to further minimize manual data entry.

## 5 Phases of Data Capture

- Scan & Store
- Basic Recognition
- Intelligent Data Extraction
- Distributed Capture
- Enterprise Capture

Download Kevin Craine's whitepaper to learn more about the 5 Phases of Data Capture and to learn more about designing a document strategy. [ow.ly/qwnjg](http://ow.ly/qwnjg)

## Working with SAP

The first phase introduced IBM's enterprise content management system, FileNet P8, as a means of electronic storage in 2009. This allowed the team to scan each invoice and tag it for easy retrieval, commonly known as "Scan & Store". The second phase was much more involved as they wanted to improve internal controls, match SAP reference data and improve their invoice processing workflow. RKO Solutions engaged the company in an in depth needs discovery process to ascertain the best technology to streamline these processes.

The first essential piece was to ensure all data was digitized so that the information could flow without the use of physical paper. To start the process, RKO implemented IBM's Datacap software which involves scanning all Accounts Payable related documents and capturing details from each page in a meaningful way.

The company saw the value in RKO's scanning and zonal optical character recognition (OCR) solution. IBM's software detects the vendor, the invoice number, the items purchased, their quantities and costs automatically. This is based on the data's location on each invoice which is easily set up when you have a new vendor.

Data entry errors have been reduced along with lost invoices, missed late payments and they are in a better position to take advantage of early payment discounts.

IBM Datacap Taskmaster Capture can commit scanned documents, including captured data, directly into IBM repositories. By integrating SAP with FileNet using a custom image retrieval tool, scanned invoices can be retrieved directly from SAP.

## Auditability

With the solution now in use, the team is impressed with its user interface, how easy it is to use and how easy it is to find the information they need; but the most effectual application for them has been the power of its auditing capabilities. For this IBM Cognos was used for reporting and auditing. This allows the team to see the status of each invoice, how long its been there and who needs to take action to move it along the process. When invoice disputes arise, it is now easy to locate the invoice electronically, providing the information needed to resolve the issue much more quickly and accurately.



## Outlook

The next phase for this department is to implement more advanced workflow capabilities and business rules through a deeper integration with their SAP accounting system. Business rules will select who is authorized to approve, pay or store these documents based on their role, the dollar value, the vendor or other criteria set by the company. The goal is to provide straight-through processing where feasible.



## For More Information

To find out how RKO Content Management Solutions can help you, contact us at [sales@rkosolutions.com](mailto:sales@rkosolutions.com) or +1.778.383.1850 or visit [www.rkosolutions.com](http://www.rkosolutions.com).

### About RKO Solutions

RKO solves complex content & process related business problems. The company's custom solutions help organizations better manage documents, streamline processes, surface business knowledge and mitigate compliance risk. With a 15 year legacy of success, RKO is Canada's leading Enterprise Content Management (ECM) consulting company, an IBM Premiere Partner, Microsoft Gold Certified Partner and winner of IBM's ECM Business Partner Achievement Award. Visit [www.rkosolutions.com](http://www.rkosolutions.com) to learn more.