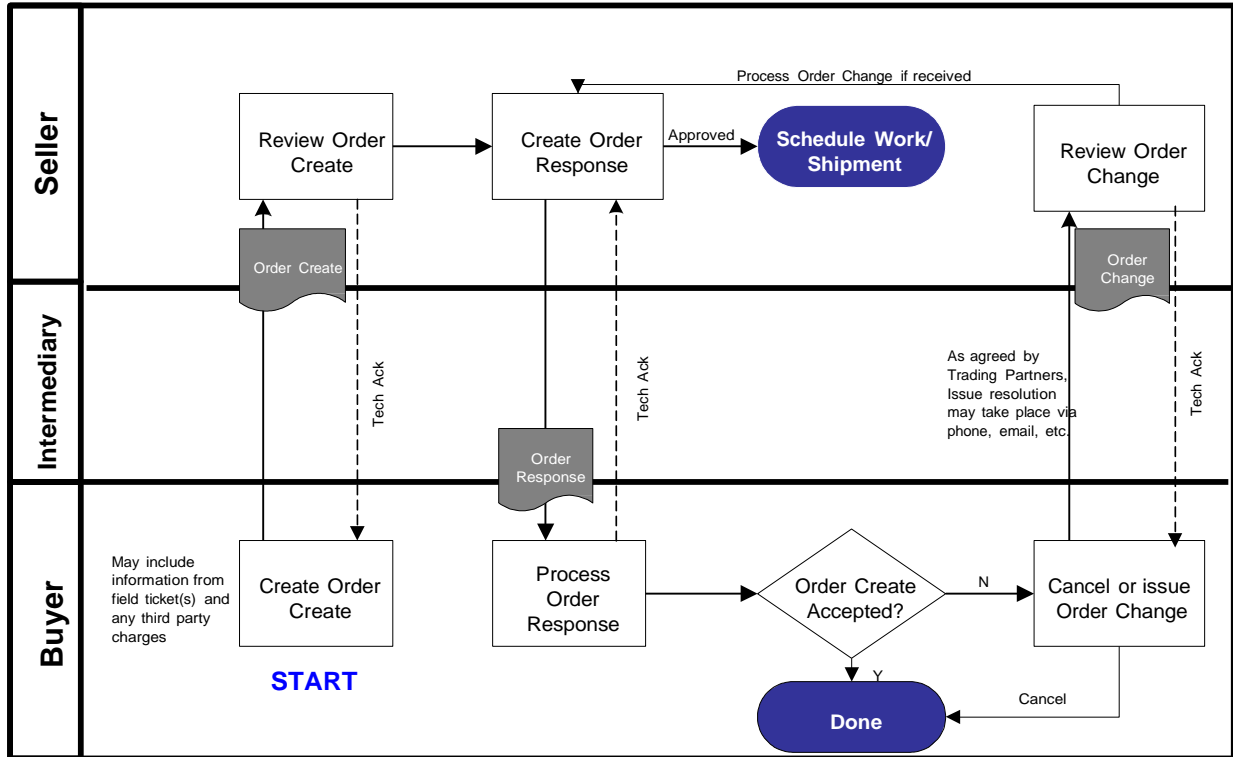


Purchase Order Process Business Process Guideline

Below is the Business Process Diagram illustrating the Buyer-initiated Purchase Order transaction process. This is not the only method by which the process may occur, however, it represents a primary process. Intermediaries, including routing hubs and/or networks, may be involved if necessary.



Process Model - A Buyer creates an Order Create using information from Buyer's ERP system. The Order Create is sent to the Seller. The Seller reviews the order and creates an order response to indicate acceptance, acceptance pending changes, or rejection of invoice. If the Seller accepts with changes, Trading Partners will resolve issues and Buyer will implement changes with an Order Change document. Final acceptance does not occur until Seller issues an Order Response – Accept document.

The Order Response message refers to Order Create or Order Change data and is transmitted by Seller to Buyer to indicate that the Order Create (or Order Change) has been accepted, accepted pending further changes, or rejected. If the order is rejected, further processing by the Seller will not occur for that Order number. If the order is accepted pending changes, further processing by the Seller will not occur until an agreement between trading partners is reached, and the Buyer issues the appropriate Order Change document.

Trading Partners will agree whether the Order Change document will include only line items that have changed (TransactionPurposeIndicator="Change") or ALL line items from the original Order (TransactionPurposeIndicator="Replace"). Items to be deleted should always appear with an ItemDetailChangeCode of "Delete". Order Response should be sent within time frame agreed to by Trading Partners.

In either case ("Change" or "Replace"), each modified line item should indicate what field has changed through use of the ItemDetailChangeCode.

Even after an order has been accepted by the Seller, there may be conditions under which the original order should be changed. Such a change may be initiated by either Buyer or Seller via telephone call. After the parties agree to the change, the Buyer issues the appropriate Order Change document to the Seller, who responds with an Order Response -Accept

In order to provide enough information for the seller to route the order and the shipment of goods and services, the Order Create document should contain one data element to identify the seller's business unit (for example, DUNS+4), and one data element identifying the geographic location. One of the following elements should be used to identify the location:

- Ship to: Quote #
- Price Sheet ID # Contract #
- Job # Rig # Well #

Trading partners should mutually agree upon these routing elements before they begin transacting electronically.

Use Case: Create a New Order

Business process name	Create a New Order
Identifier	PIDX XML Order Create and Order Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	<p>Trading Partner: The Buyer or Seller</p> <p>Intermediary: Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow</p> <p>Message: Payload along with TRP protocol envelope</p> <p>Payload: Order Create along with any attachments as agreed by trading partners</p> <p>Routing Hub: Intermediary that routes messages but does not participate in business process workflow.</p> <p>Network: Intermediary that acts on behalf of buyer or seller and is a participant in the business process workflow.</p> <p>Order Response: The Order Response message refers to Order Create data payload and is transmitted by seller to buyer to indicate that the Order Create has been accepted, accepted pending changes, or rejected.</p>
Description	Buyer issues Order Create for products/services requested. Seller Acceptance process concludes and Seller fulfills order.
Pre-condition	The Buyer requires goods or services according to the conditions set in the contract. The Seller has capacity to fulfill the order.
Post-conditions	Work will be performed/goods delivered according to terms of contract and Buyer's order.
Scenario	<p>The Buyer orders goods/services from the Seller. The Buyer will generate the Order Create for the goods/services delivered.</p> <p>The Seller checks the order for material and schedule availability.</p> <p>The Seller issues Order Response to accept/approve order and fulfills the order with requested goods/services.</p>
Recommended Best Practices	<ul style="list-style-type: none"> • Buyer should issue one Order Response to accept/approve order. • Order Create can represent spend-limit, blanket, or detailed order, but not mixed order. • Order Create should contain the minimum data required by Seller to correctly route and process the order using two fields from the available choices, as agreed by trading partners. • Order Create should contain the minimum data required by Buyer to correctly route and process resulting invoices related to the order, as agreed by trading partners. • Order Create and Order Response should be transmitted via the same communication channel. • Each Order Create transaction should receive a corresponding Order Response transaction.

Business process name	Order Accepted with Changes
Identifier	PIDX XML Order Create, Order Change and Order Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	<p>Trading Partner: The Buyer or Seller</p> <p>Intermediary: Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow</p> <p>Message: Payload along with TRP protocol envelope</p> <p>Payload: Order Create or Order Change along with any attachments Routing Hub: Intermediary that routes messages but does not participate in business process workflow.</p> <p>Network: Intermediary that acts on behalf on buyer or seller and is a participant in the business process workflow.</p> <p>Invoice Response: The Order Response message refers to Order data payload and is transmitted by seller to buyer to indicate that the invoice has been approved for payment or is in dispute.</p>
Description	Buyer issues Order Create for products/services requested. Seller is unable to accept order without changes to items, quantities, delivery dates, etc. Seller issues Order Response to accept if changes are made. Trading partners discuss and come to an agreement on requested changes.
Pre-condition	The Buyer requires goods/services according to the conditions set in the contract. The Seller has capacity to fulfill the order.
Post-conditions	Trading partners will address issues and Buyer will issue Order Change document as appropriate. Seller will issue Order Response to indicate final acceptance of changed order.
Scenario	<p>The Buyer orders goods/services from the Seller. The Buyer generates the Order Create for the goods or services delivered.</p> <p>Seller review process indicates order cannot be accepted unless changes are made. Seller issues Order Response – Accept with Changes to indicate that changes are requested.</p> <p>Trading Partners discuss/negotiate changes to original order.</p> <p>Buyer issues Order Change to document the final changes to the order. Order is not accepted until Seller issues Order Response – Accept.</p>
Remarks	<p>Responses to an Order Response - Accept with Changes may include:</p> <ul style="list-style-type: none"> • Original Order Create is accepted by Seller; following discussion with Buyer • Buyer may cancel original order • Buyer may issue Order Change
Recommended Best Practices	<ul style="list-style-type: none"> • Order Create and Order Response should all be transmitted via the same communication channel. • Each Order Create transaction should receive a corresponding Order Response transaction.

Business process name	Change an Existing Order
Identifier	PIDX XML Order Change and Order Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	<p>Trading Partner: The Buyer or Seller</p> <p>Intermediary: Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow</p> <p>Message: Payload along with TRP protocol envelope</p> <p>Payload: Order Change along with any attachments as agreed by trading partners</p> <p>Routing Hub: Intermediary that routes messages but does not participate in business process workflow.</p> <p>Network: Intermediary that acts on behalf of buyer or seller and is a participant in the business process workflow.</p> <p>Order Response: The Order Response message refers to Order Change data payload and is transmitted by seller to buyer to indicate that the Order Change has been accepted, accepted pending changes, or rejected.</p>
Description	Buyer issues Order Change to update a previously issued Order Create for products/services requested. Seller Acceptance process concludes and Seller fulfills order.
Pre-condition	The Buyer requires goods/services according to the conditions set in the contract. The Seller has capacity to fulfill the order. Buyer has previously issued an Order Create document and Seller has NOT issued an Order Response – Reject.
Post-conditions	Work will be performed and/or Goods delivered according to terms of contract and Buyer's order.
Scenario	<p>The Buyer previously ordered goods or services from the Seller. The Buyer previously generated the Order Create for the goods or services delivered.</p> <p>The Seller has either: Issued an order response – accept. Issued an order response – accept with changes. Not issued an order response at all.</p> <p>The Buyer issues an Order Change under the same PO number.</p> <p>The Seller issues Order Response to accept/approve order and fulfills the order with requested goods or services.</p>
Recommended Best Practices	<ul style="list-style-type: none"> • Seller should issue one Order Response to accept/approve order. • Order Change must include header data, summary data. • Order Change may include ALL items from original Order Create, or only line items that have changed. • Order Change should contain the PO number of an active Order than has not been rejected by the seller. The seller may have issued an order response – accept with changes. • Order Change and Order Response should be transmitted via the same communication channel. • Each Order Change transaction should receive a corresponding Order Response transaction.