

# **E-Commerce:**

## **Automated Price Validation**

### **ePrice Books a Closer Look to Gaps**



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**1:**

# **INTRODUCTION TO THEORY**



# Evolution of Price Books

## Price Book

- Paper or PDF copy of a listing of services, and/or items that a particular Product Line can rent or sell at list price.

## ePrice Book

- A Price Book located in our ERP system for a particular Product Line with list prices (no discounts) for a specific region, not customer specific.

## eCatalog

- A listing of items and prices specific to a customer, product line and region that is provided to the customer. The specific prices are based off executed pricing agreements.

## eCatalog: Automated Price Validation

- The result of an eEnabled customer to automatically verify compliance to contract pricing agreements based on unique unit of measure, item number, and price combination.

# Concept Flow for Automated Price Validation

## Customer Contract

- Sales Representative and Customer enter in negotiations to establish a pricing agreement or reference to a PL price book.

## OFS Portal Load

- Once the eCatalog is created, an excel file is submitted via OFS Portal. The customer then retrieves the pricing agreement for review and final approval.

## Customer Reflects eCatalog

- Prior to billing, the customer needs to reflect the eCatalog in their 3<sup>rd</sup> Party Portal or ERP system. This allows for automated price validation, and expedites invoice approval.



# Pricing Agreements

Flow for electronic catalog creation

Contract Pricing Agreement is executed

eCatalog Request made to eCommerce management team

Data Analysis and Data Enrichment is done by eCatalog Team, Data Steward, and PL

Creation of eCatalog in JD Edwards

OFS Load for data security

Customer Reflects Pricing in 3<sup>rd</sup> party system or ERP system

Start

1

2

3

4

5

6

eBilling may resume

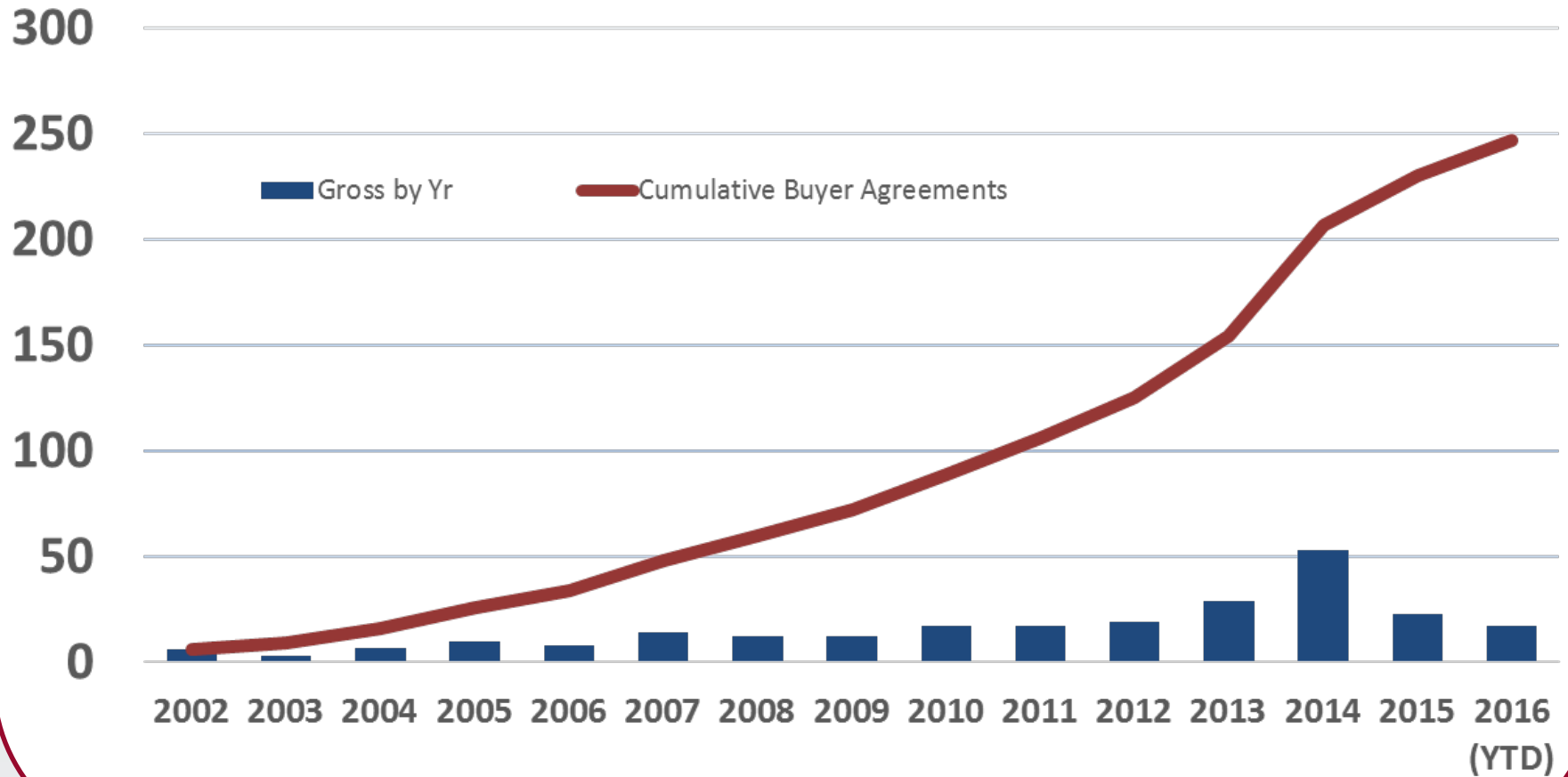
# 2:

# ADOPTION OF EBILLING



# Supplier Increase of eBilling

## OFS Portal Operator Electronic Data Agreements





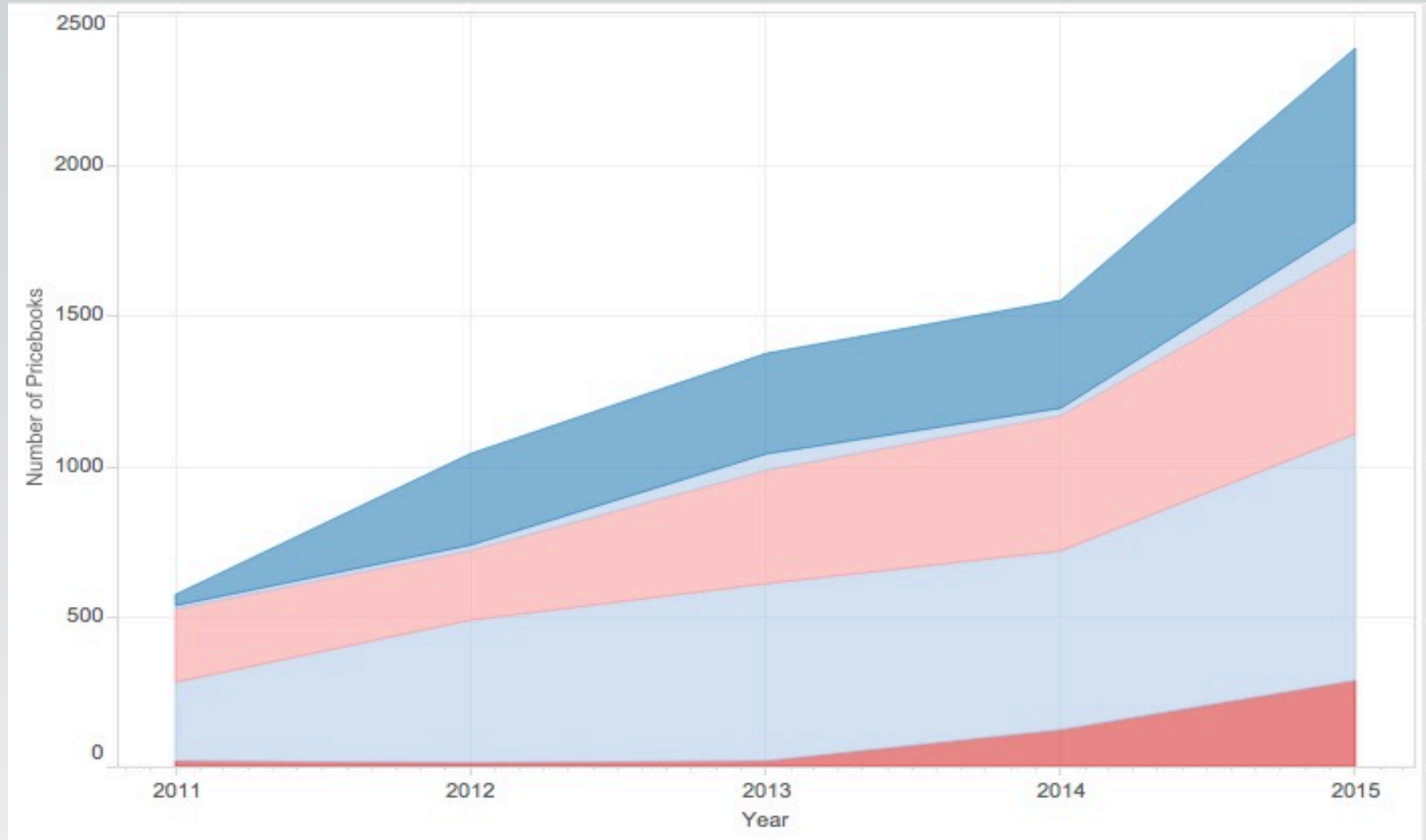
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# ADOPTION

# OF PRICE VALIDATION



# Supplier Increase of Price Book Submission

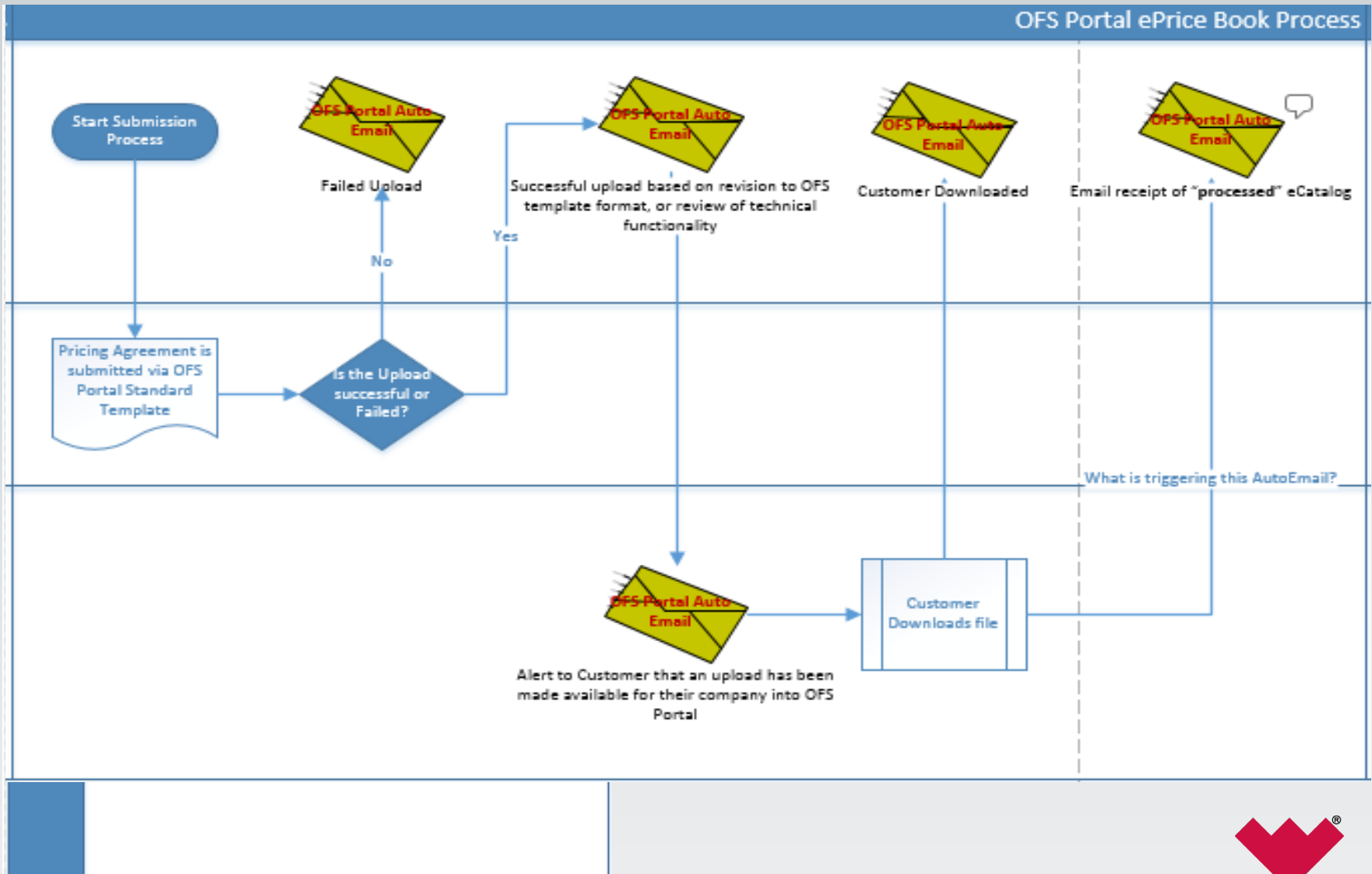


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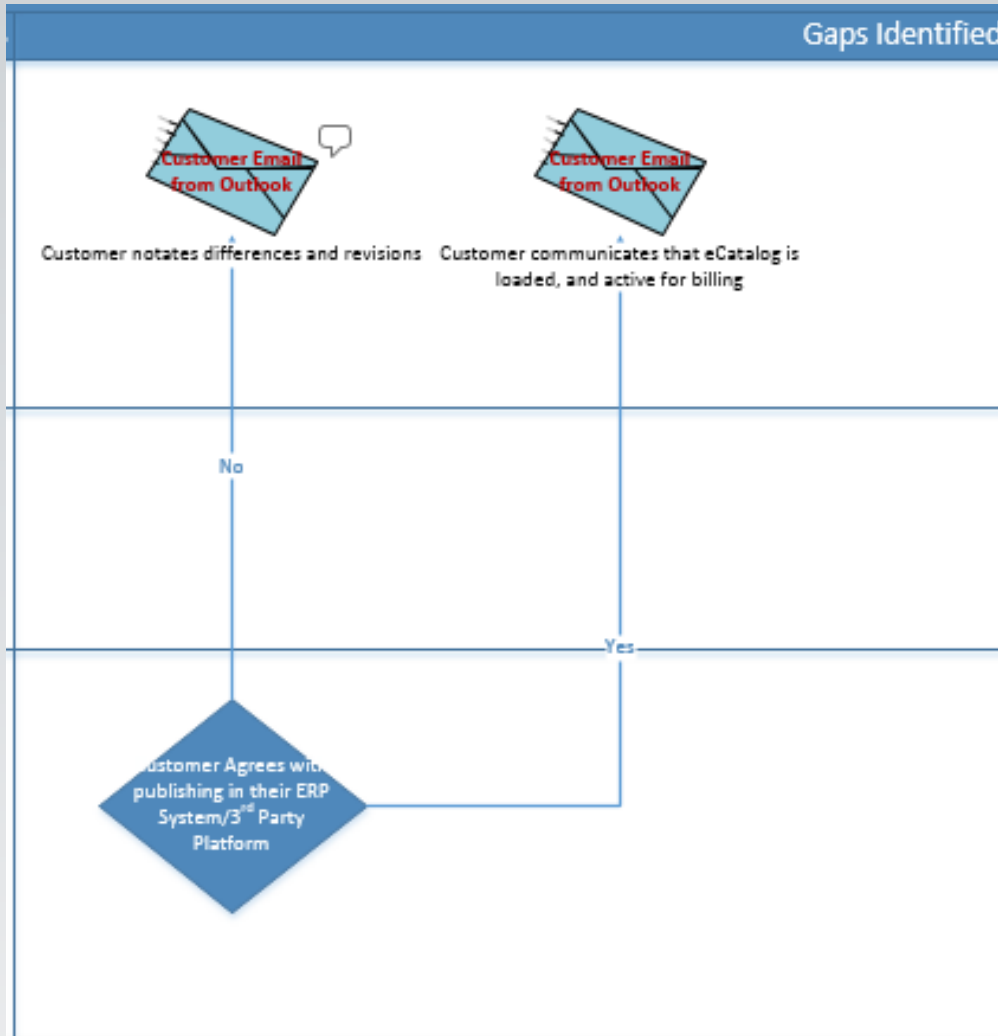
# REVIEW OF SUBMISSION PROCESS BUYER-SUPPLIER



# Systems - Information Gaps



# Exposure Gaps - Communication

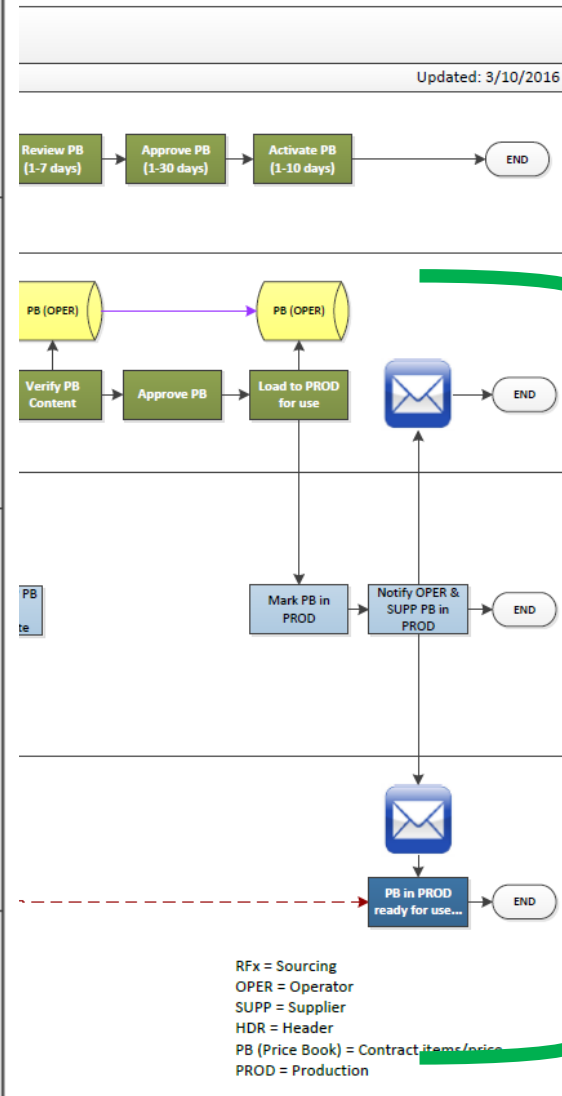
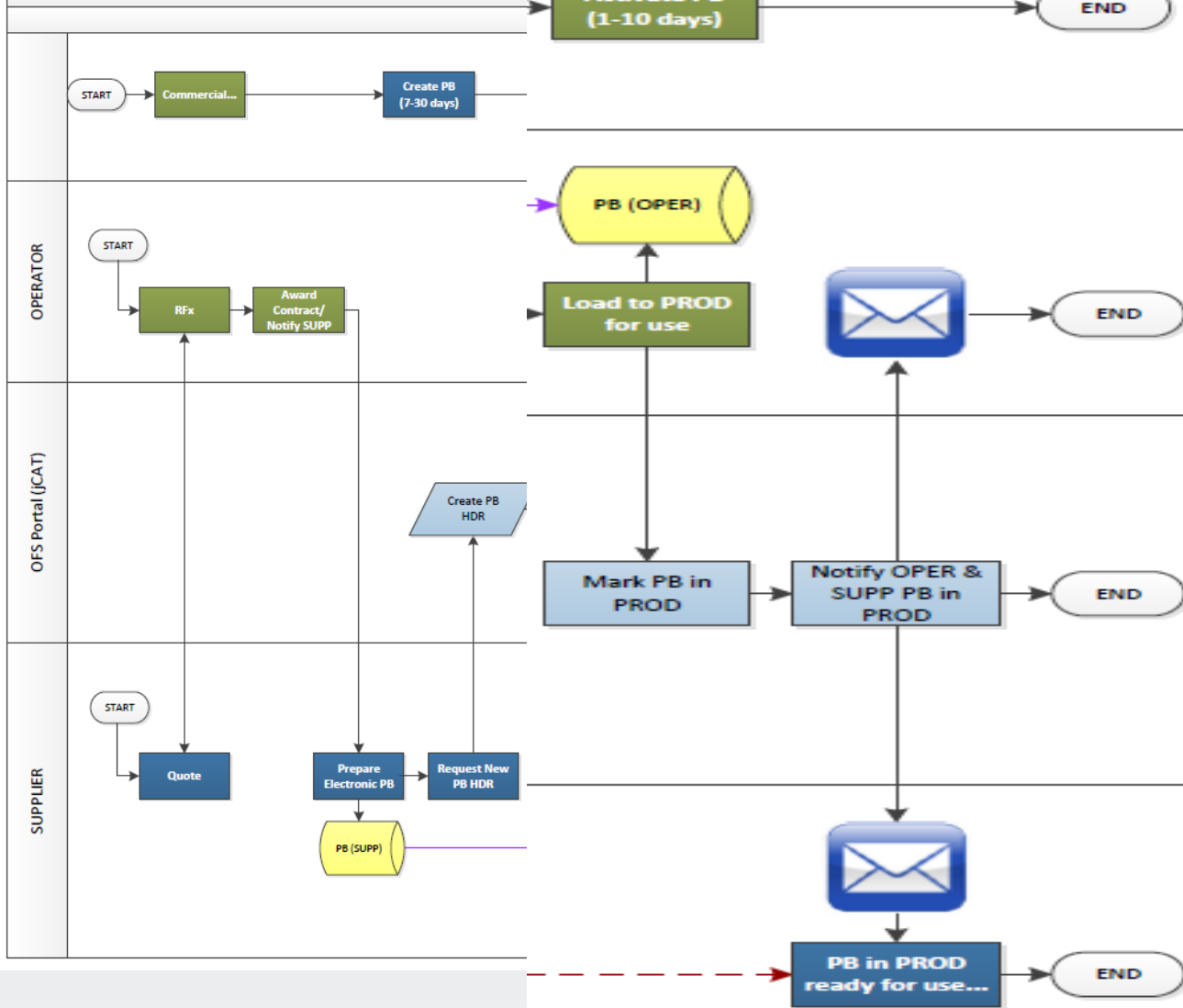


- Gap 2:** No communication with “proprietor” ensuring that the buyer takes place outside of the portal due to system constraints. No validation communication, No clear effective dates in progression (billing) date parameters).



# OFS in Congruence with Suppliers

## OFS Portal Catalog Process (PB in Production)



Updated: 3/10/2016

RFX = Sourcing  
 OPER = Operator  
 SUPP = Supplier  
 HDR = Header  
 PB (Price Book) = Contract items/prices  
 PROD = Production

# 5:

# DISPUTE ANALYSIS REVIEW OF GAPS



# Common Disputes Reasons

- Effective Dates for Price Books
  - Service Dates vs. Invoice Date
    - Awareness for Sales and Contract Tender Management
- Deviation from Standard Units of Measure
  - Each third party eInvoicing Platform has different solutions
    - No consensus for one standard
      - Uncertainty in the OFS file
      - No control from either supplier, 3<sup>rd</sup> Party Portal, or Buyer
      - Individual Buyer-Supplier Mapping



# Common Disputes – Invoicing Requirements

- Wrong Scope of Work Document Number Referenced
  - No Purchase Document reference is provided on stamp (i.e OLA, GBPA, etc.)
    - Accounting for approximately 10% of disputes
    - No clear mapping from Buyer-Supplier naming conventions for Product Line Business Scope (ex: Completions ~ Frac Services)

# Common Disputes – System Anomalies

- 3<sup>rd</sup> Party Portal may override invoice price to current “live” price in the syndicated Price Book
  - Reconciliation nightmare (Collections/Auditing)
  - Manual manipulation within 3<sup>rd</sup> party portal
  - Not able to reflect price changes in a timely manner

# Solutions – Quick Wins

- OFS to “un-complicate” UOM issue through a Phased Approach
  - Clean up of Template
  - Assign UOM to respective Standard
- PIDX Price Book Response Codes to be considered by 3<sup>rd</sup> party portal
  - Consensus to implement reason codes for price book referenced disputes
    - Automated price validation adds a different tier of complexity
- PIDX Invoice Reason Code to be considered by 3<sup>rd</sup> party portal
  - Establish different paths for reason codes when invoice is not associated to a Price Book

# Solutions – Quick Wins

- Committee established to build a cross reference glossary for available upstream terminology by Buyer
  - Compile Supplier Naming convention and definition per product line available
  - Compile Buyer Naming convention and definition per scope of work