Procure to Pay Metrics (P2P)
Driving Supply Chain Transactional Excellence with eInvocing
Welcome

James Thompson
- Procurement Shared Services\P2P Process Consultant
- Specializing in P2P Process
- Supporting Business Units

Experience
- SAP Functional Support\Implementation (MM, PM, PS, CO, FI, BI, BO)
- Business Intelligence Reporting\Visualization Solutions
  - Business Warehouse
  - Business Objects
  - SAP Xcelsius and Visualization
  - Crystal Reports
Agenda

- Defining the “New” ConocoPhillips
- Procure to Pay Metrics
- eInvoicing or “ePayables Process”
- Report Automation
- Future continuous improvement efforts
- Questions
P2P Metrics Background

Project
- Design and implement global, standardized, fit-for-purpose requisition to payment processes

Timeline
- Deployment phases in North America, 2006-2008
- International deployment schedule 2009-2010

Support Group was created

Sustainability
P2P Metrics (Success Indicators)

- Sustainability of the P2P processes

Objective Areas

- Increase process effectiveness (includes proper sourcing, price validation, and data capture)
- Increase process efficiency
- Maintain compliance with internal controls

Measured by

- 4 Key Performance Indicators (KPIs)
- 8 Leading Indicators (LIs)
Major Procurement Locations

Three Standards for Procurement
Requisition to PO
Call Offs, or “Verbal Orders” with approved contract in system
Procurement Cards
## Key Metrics – (High Level)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI 13</td>
<td>Spend traceable to a contract</td>
<td>80%</td>
</tr>
<tr>
<td>KPI 14</td>
<td>Spend captured on a purchase order – “MM”</td>
<td>95%</td>
</tr>
<tr>
<td>KPI 15</td>
<td>Systematic rate validation</td>
<td>65%</td>
</tr>
<tr>
<td>LI 17</td>
<td>Material PO lines with reference to master data</td>
<td>60%</td>
</tr>
</tbody>
</table>
## List of P2P Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>KPI/LI #</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness</strong></td>
<td>KPI 13</td>
<td>% of Leveraged Spend Systematically Traceable to a Contract</td>
</tr>
<tr>
<td></td>
<td>KPI 14</td>
<td>Spend Captured in MM</td>
</tr>
<tr>
<td></td>
<td>KPI 15</td>
<td>% of Leveraged Spend with Systemic Unit Rate Validation</td>
</tr>
<tr>
<td></td>
<td>LI 16</td>
<td>% of Invoice Lines Systematically Rate Validated</td>
</tr>
<tr>
<td></td>
<td>LI 17</td>
<td>% of PO Lines with Material Master Data Reference</td>
</tr>
<tr>
<td></td>
<td>LI 4</td>
<td>% of Invoice Paid Late</td>
</tr>
<tr>
<td></td>
<td>LI 22</td>
<td># of GR/IR Open Lines Over 90 Days Old</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>LI 7</td>
<td>% of System Created PO Lines</td>
</tr>
<tr>
<td></td>
<td>LI 8</td>
<td>Average PO Processing Time</td>
</tr>
<tr>
<td></td>
<td>LI 10</td>
<td>% of Receipt Lines Posted Electronically</td>
</tr>
<tr>
<td></td>
<td>LI 11</td>
<td>% of Electronically Posted Invoices</td>
</tr>
</tbody>
</table>

- Items highlighted in “Yellow” are key metrics.
Procurement Dashboard – (Overall) Sample Data
Procurement Dashboard – (Key Metrics) Sample Data
Procurement Dashboard – (Leading Indicator’s) Sample Data

- Business Unit: L48 - USA
- Speed Region: L48 USA
- Month: Feb
- Year: 2013

Lead Indicator

% of Material PO Lines with Master Data Reference

- Goal: 60%
- COP: 61%
- Feb-2013: 77%
- L48 USA: 77%

Current: Feb-2013

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eInvoicing, or “ePayables”

“ePayables “ at COP is electronically connecting suppliers to our supply chain. This would include invoice processing, purchase orders, and exchanging documents.

- Documents examples
  - Invoices
  - Service and Delivery Tickets
  - Purchase Orders (Created, changes, and acknowledgments)

This is critical in procurement efficiency!
Benefits of Electronic Invoices

- Cost Savings
- Efficient Payment
- Price Validation
- Spend Capture
Procurement reporting automation at COP

Repairman

Reporting Chaos
ConocoPhillips reporting strategy?

“Right Information, At the Right Time, to The Right Person, for the Right Decision.”

COP Reporting Tools
- Excel Spreadsheets
- MS Access Database
- R/3 transactional data
- SAP Business Warehouse
- SAP Business Objects

Knowledge is Power!
Sharing the knowledge is power! End-User Collaboration!
Reporting Automation at COP

- SAP Business Warehouse
- Spot Fire Dashboard
- SAP Xcelsius
- SAP BusinessObjects Business Intelligence 3.1
  - Upgrading to 4.0 later this year

- Enhancements in over the next 12 - 16 months
  - SAP BusinessObjects Dashboard Design, 4.0
  - Big Data Proof of Concept Project
    - SAP HANA
    - Tetra Data
ePayables Reports

- Rate Validation – (Company & Vendor)
- Invoice Processing Time
  - BU, Company, Vendor
  - Reviewer, Approver, Posting, Clearing
  - Services Performed to Invoice Receive
- Errors and Rejects
Business Unit Rate Validation Summary – (Sample Data)

Vendor Rate Validation Summary (summarized version):

<table>
<thead>
<tr>
<th>Overall Systematic Rate Validation</th>
<th># Lines Rate Validated</th>
<th># of Lines not Rate Validated</th>
<th># of Total Lines Processed</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>89,021</td>
<td>52,504</td>
<td>141,525</td>
</tr>
</tbody>
</table>

*Posted Invoice Only*

ePayables Rate Validated Lines

Month Invoice Received
### BU Vendor Rate Validation Summary – Sample Data

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Count of Invoice Lines</th>
<th>Percent of Validated Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor 1</td>
<td>1,871</td>
<td>99.84%</td>
</tr>
<tr>
<td>Vendor 2</td>
<td>882</td>
<td>74.26%</td>
</tr>
<tr>
<td>Vendor 3</td>
<td>867</td>
<td>72.43%</td>
</tr>
<tr>
<td>Vendor 4</td>
<td>610</td>
<td>88.52%</td>
</tr>
<tr>
<td>Vendor 5</td>
<td>484</td>
<td>93.39%</td>
</tr>
<tr>
<td>Vendor 6</td>
<td>464</td>
<td>43.10%</td>
</tr>
<tr>
<td>Vendor 7</td>
<td>335</td>
<td>77.31%</td>
</tr>
<tr>
<td>Vendor 8</td>
<td>277</td>
<td>94.95%</td>
</tr>
<tr>
<td>Vendor 9</td>
<td>260</td>
<td>33.08%</td>
</tr>
</tbody>
</table>
Vendor Rate Validation Summary – Sample Data

Vendor Number: Sample Vendor

COP Test BU: 20

Systematic Rate Validation:
70%

Percentage of Rate Validation

Overall Rate Validated

EDI receive month YYY/MM

# of Transactions Rate Validated

EDI receive month YYY/MM
### Invoice Processing (Broken Out) – Sample Data

<table>
<thead>
<tr>
<th>Business Objects Universe Name</th>
<th>Payables V2.0</th>
<th>Selected Start Date</th>
<th>1/1/2013 12:00:00 AM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Title</td>
<td>6 ePayables Days to Process</td>
<td>Selected End Date</td>
<td>1/31/2013 12:00:00 AM</td>
</tr>
<tr>
<td>Run Date</td>
<td>2/20/2013 7:09:18 AM</td>
<td>Selected Invoice Types</td>
<td></td>
</tr>
<tr>
<td>Selected Companies</td>
<td></td>
<td>Excluded Status Codes</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reviewer</th>
<th>Invoice Count</th>
<th>Invoice Item Count Distinct</th>
<th>Min RecV to Revw</th>
<th>Avg RecV to Revw</th>
<th>Max RecV to Revw</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>1</td>
<td>9</td>
<td>2</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>1</td>
<td>1.00</td>
<td>3.22</td>
<td>5.00</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>4</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>9</td>
<td>26</td>
<td>4</td>
<td>4.00</td>
<td>4.00</td>
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</tr>
<tr>
<td>2</td>
<td>2</td>
<td>9</td>
<td>9.00</td>
<td>9.00</td>
<td>9.00</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>4</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5.00</td>
<td>7.67</td>
<td>13.00</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>1</td>
<td>1.00</td>
<td>2.30</td>
<td>11.00</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>1</td>
<td>4.00</td>
<td>28.00</td>
<td>27.00</td>
</tr>
</tbody>
</table>
Hi all,

This is an automated report for ePayables Rate Validation Lines. Please click the link to view the report. The report shows your Business Unit performance for the last 13 months. This report shows opportunities for improvement for any vendors with percentage below 75%.

http://busobjrptd.conocophillips.net/OpenDocument/opendoc/OpenDocument.aspx?xIDType=CDI&ID=Ad88n9gRRuVD1_8x0c6yDxU

Let me know if you have any question.

Thanks,

Gideon Santoso
Gideon_Santoso@conocophillips.com
Future eInvoicing Reporting\Metric Automation

- Supplier Evaluation Dashboard
  - Data is now capture in our SAP production system
  - Next steps is to create a dashboard
- Non conforming materials tracking
- PM Maintenance Dashboard
- ISN (ISNetworld) Dashboard
- Visual Dashboard Tools (SAP Visual, Spot Fire, etc.)
- Big Data Solution
ePayables \ Metric Data on iPad

Full supplier information collected in one place across relevant apps.

Sample Data

Real Time Information
iPad Applications

- Supplier information at your fingertips
Questions