



Electronic Field Ticket

**API PIDX Spring
Meeting
April 4, 2007**

Electronic Field Tickets

- **Field Ticket is the most important document created – for both buyer and supplier**
 - The invoice is a formality
- **If its use becomes diminished or changed, do we run the risk of not satisfying business objectives?**
 - It is relied on in litigation matters as much if not more than any other document



Electronic Field Tickets

- **Can provide value to buyer**
 - Capture of actual (estimated) spend earlier than normal
 - More timely financial spend analysis
- **Can provide value to supplier**
 - Reduce time to payment (DSO)
 - Eliminate the need to handle customer stamp data



Electronic Field Tickets

- **Could create detriments for buyer**
 - Increase the number of disputed invoices resulting in more effort for someone else
 - May cause more un-observed jobs and diminished job quality – out of touch with reality
 - Diminished value of customer field representative approval may shift burden of approval to Engineering or Accounting
 - High IT costs



Electronic Field Tickets

- **Could create detriments for supplier**
 - **Increase the number of disputed invoices causing more effort to resolve downstream by someone else**
 - **Increased time to payment due to more disputes and time to process them (DSO)**
 - **High IT costs**



Current Processes

- **Step 1: Paper Field Ticket is created and provided at the point-of-service**
- **Step 2: Field Ticket is signed by customer**
- **Step 3: Field Ticket is used to create the invoice after return to facility**
- **Step 4: Invoice is sent to customer with copy of the signed Field Ticket**



Business and IT Issues

- **Step 1: Paper Field Ticket is created and provided at the point-of-service**
 - **Supplier must accommodate all customers so paper capability must remain**
 - **Field Ticket is often an estimate only**
 - **But it best reflects what actually took place up to that point**
 - **Most differences with the Invoice are minor**
 - **Represents scope of work, material quantities, price**



Business and IT Issues

- **Step 2: Field Ticket is signed by customer**
 - Acknowledgement of receipt of goods and services and approval of work performed
 - **If customer is not present:**
 - Performance based on trust if result cannot be observed
 - What does an approval after the fact mean?
 - Is an approval required? If not, why does the invoice need approval?



Business and IT Issues

- **Step 2: Field Ticket is signed by customer**
 - **If Field Ticket is transmitted electronically, with PIDX standards**
 - **Customer would receive after supplier returned to facilities (network availability)**
 - **Dialogue between customer rep and supplier rep may be difficult or may not take place**
 - **Disputes / differences are often resolved before the Field Ticket is generated**
 - **Field Ticket provides for a review of the job performed**



Business and IT Issues

- **Step 2: Field Ticket is signed by customer**
 - Accounting and routing info often captured on the Field Ticket (stamp, or verbally provided when Field Ticket is created)
 - Would be problem if customer rep was not present
 - If Field Ticket is sent electronically before invoice:
 - Would it minimize the stamp data?
 - What data would be required to route the Field Ticket?
 - What data would be required to route the Invoice?



Business and IT Issues

- **Step 3: Field Ticket is used to create the Invoice after return to facility**
 - **Inventory is reconciled to actual used**
 - Post job weight tickets and measurements
 - SOX and financial compliance requirements
 - **Invoice undergoes rigorous scrutiny**
 - **Field Ticket and Invoice may be created in different systems**
 - E-invoice may be enabled but not E-field ticket
 - May require a lot of effort to develop IT capability



Business and IT Issues

- **Step 4: Invoice is sent to customer with copy of the signed Field Ticket**
 - Field Ticket is primary evidence used to approve the Invoice (financial personnel)
 - Other job documentation may be required for final approval by Operations and Engineering
 - Treatment report, Treatment proposal, Quality control documentation, etc...
 - Automated Invoice and Field Ticket may not speed up the approval process



Recommendation

- **Proceed forward with eField Ticketing to work through the issues and maintain signature capture from the customer at the same time.**
- **Do not do away with the signature requirement until all issues are resolved and value is demonstrated for both buyer and supplier.**

