

OpenContract

PRICEBOOK

PRODUCT

automatic contract price verification

Why is Price Reconciliation Important?

Operating companies are increasingly negotiating fixed term pricing agreements that govern the commercial relationship between themselves and their suppliers. These special relationships allow you to negotiate preferred rates based on committed volumes of work, realizing an agreed upon pricing discount for the suppliers' products and services.

RECONCILING COMPLEX INVOICES TAKES TOO LONG

Often, invoice workflows are based on paper invoices and related supporting documentation. Even when a strategic pricing agreement with a vendor exists, reconciling each line item to the negotiated rates and discounts is prohibitively time consuming. An invoice for a complex service may have in excess of fifty line items, and could take hours to properly compare content and pricing with the pre-existing strategic pricing agreement.

OPENCONTRACT PRICEBOOK + OPENINVOICE

Because OpenContract PriceBook is integrated with OpenInvoice™ (our flagship electronic invoicing application), the combined solution automatically ensures invoices are priced according to contracted rates, right down to a line item level. The result is greatly improved accuracy and tremendous time-savings for approvers.

You work hard to negotiate master pricing contracts so you should get the advantage of the preferred rates on each and every line item of each and every invoice.



How Does it Work?

MATCH PRICE TO MASTER SERVICE AGREEMENT

OpenContract PriceBook automatically compares contract terms to the line items on incoming invoices. First, master service agreement terms and line item details are loaded into OpenContract, including pricing discounts and premiums, if appropriate. The supplier's unique identifier for that item or service is also mapped to your general ledger code.

PRICING ALERTS

Once invoices are received by the operator through OpenInvoice, OpenContract PriceBook then automatically verifies pricing back to the master service agreement. If there is a discrepancy between contract pricing and the pricing on the invoice, a "flag" for the specific line item in question alerts the user of the discrepancy. You can control exposure to these pricing alerts or flags on a per contract basis so that supplier users are made aware of contract pricing discrepancies before the invoice is even submitted.

OFF-CONTRACT ALERTS

If a line item on the invoice is not covered by the contract, a different alert is used to notify the user that the line item is "off-contract." This automatic checking saves technical staff a tremendous amount of time. And it verifies contract compliance for many invoices that would simply never be checked because current manual processes are too onerous.

End-to-End Reconciliation

EXPANDABLE

The combination of OpenContract and OpenInvoice enables you to automatically reconcile every invoice right down to the line item level. Goods and services delivered on invoices are automatically compared, while pricing is automatically matched back to pre-negotiated contracts. The process savings in time and resource are enormous, allowing you to realize the full benefit of the strategic agreements that have been negotiated.

FLEXIBLE

OpenContract provides flexibility for specific situations that arise during the invoicing process. You can decide whether or not an invoice should be rejected based on non-compliance to contract terms. So, you can easily handle those situations when an invoice should be approved even though contract terms dictate otherwise. And back-up comments and documentation can be associated with the invoice by attaching scanned documents or entering comments directly into the application, so there is always an electronic audit trail.



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PriceBook Management Services

To ensure effective use of OpenContract PriceBook, we have a complete suite of data management services for our customers. We assist you with importing and managing vendor-specific pricing into an electronic format for use within OpenContract PriceBook.

Keeping Your Data Current

Our Service Delivery personnel provide the following elements of support:

- CONFIGURATION OF SUPPLIER PRICE LISTS INTO IMPORT FORMAT
- UPLOADING OF SUPPLIER PRICE LISTS
- DATA QUALITY ASSURANCE ON IMPORT
- ONGOING UPDATES OF PRICE LISTS AS SUPPLIERS UPDATE PRICING
- AUDITING OF UPDATED PRICE LISTS

The combined solution of OpenContract PriceBook and OpenInvoice ensures invoices are automatically priced according to contracted rates, right down to a line item level.



Corporate Headquarters

10th Floor, 255 – 5th Avenue SW
 Calgary, AB T2P 3G6 Canada
 tel: 403.205.2550
 fax: 403.205.2580

USA

10777 Westheimer, Suite 1100
 Houston, TX 77042-3462 U.S.A
 tel: 713.260.9693
 fax: 713.260.9602

International

3000 Cathedral Hill
 Guildford GU2 7YB U.K.
 tel: +44 (0) 1483 243529
 fax: +44 (0) 1483 243246

Digital Oilfield delivers Internet-based solutions that improve oil and gas company operations by optimizing core business processes. We provide technology that integrates financial and operational processes and simplifies complex workflows, within and across departments, between field and office. Thousands of operating and supplier companies use our systems every day. Our software is designed to meet the specific needs of companies involved in the oil and gas business, including solutions for electronic invoicing, contract management, spend analysis, well lifecycle management, business process management and rig scheduling. Please visit our website at www.digitaloilfield.com.