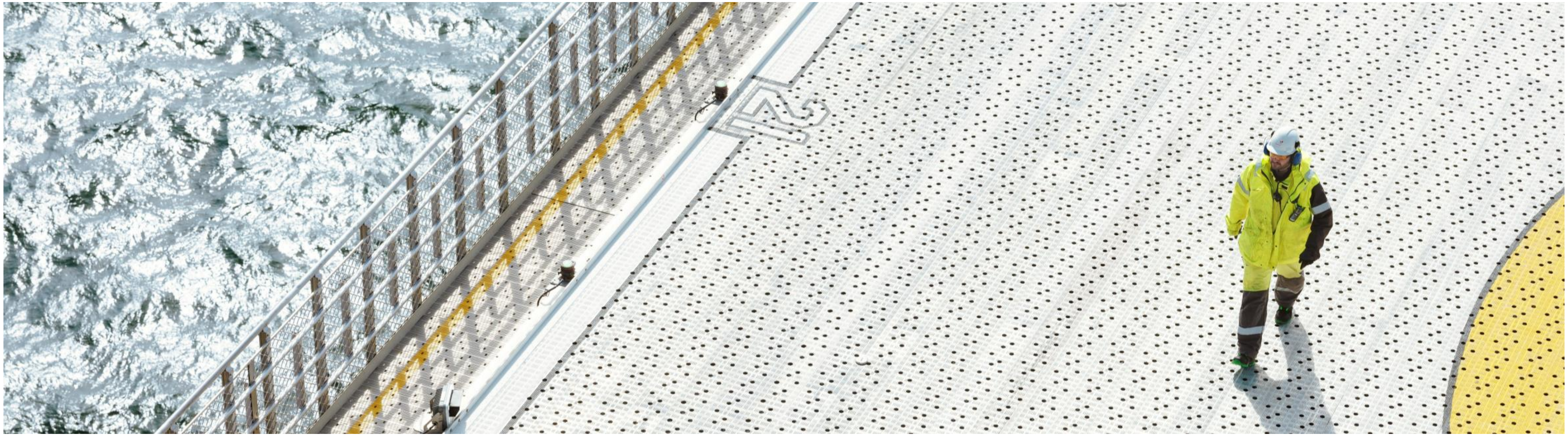
Equinor´s next focus: eOrder

After Equinor´s success with Peppol eInvoice, the next focus is on eOrder

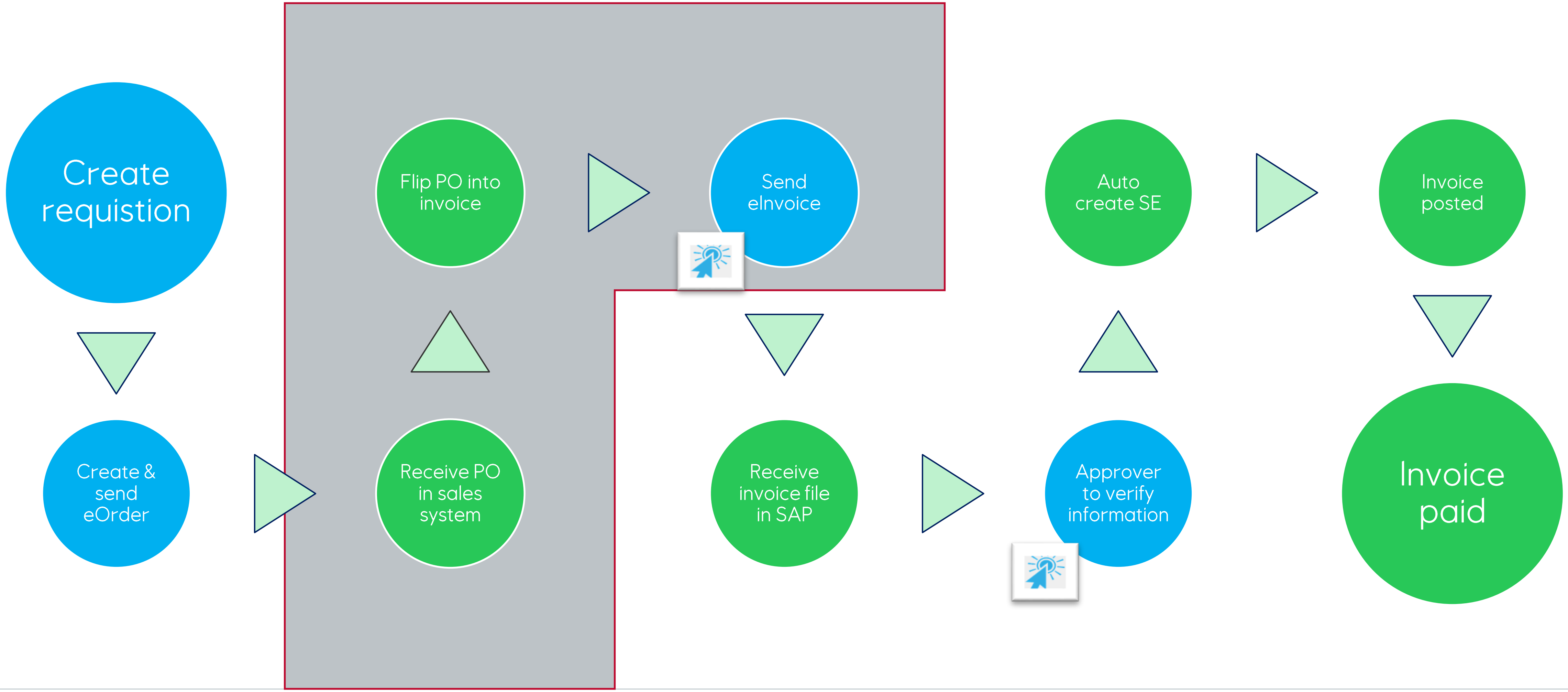
SBN Energy Day – 9 March 2021

This is our goal with a digital interface towards our suppliers

- Achieve a touchless digital interaction between Equinor and the suppliers with exchange of structured business transactions
- Remove outdated business requirements that relies on manual, paper based transaction flows



The best digital interaction is achieved when an eOrder is automatically creating the sales order which is the structure for the eInvoice returned



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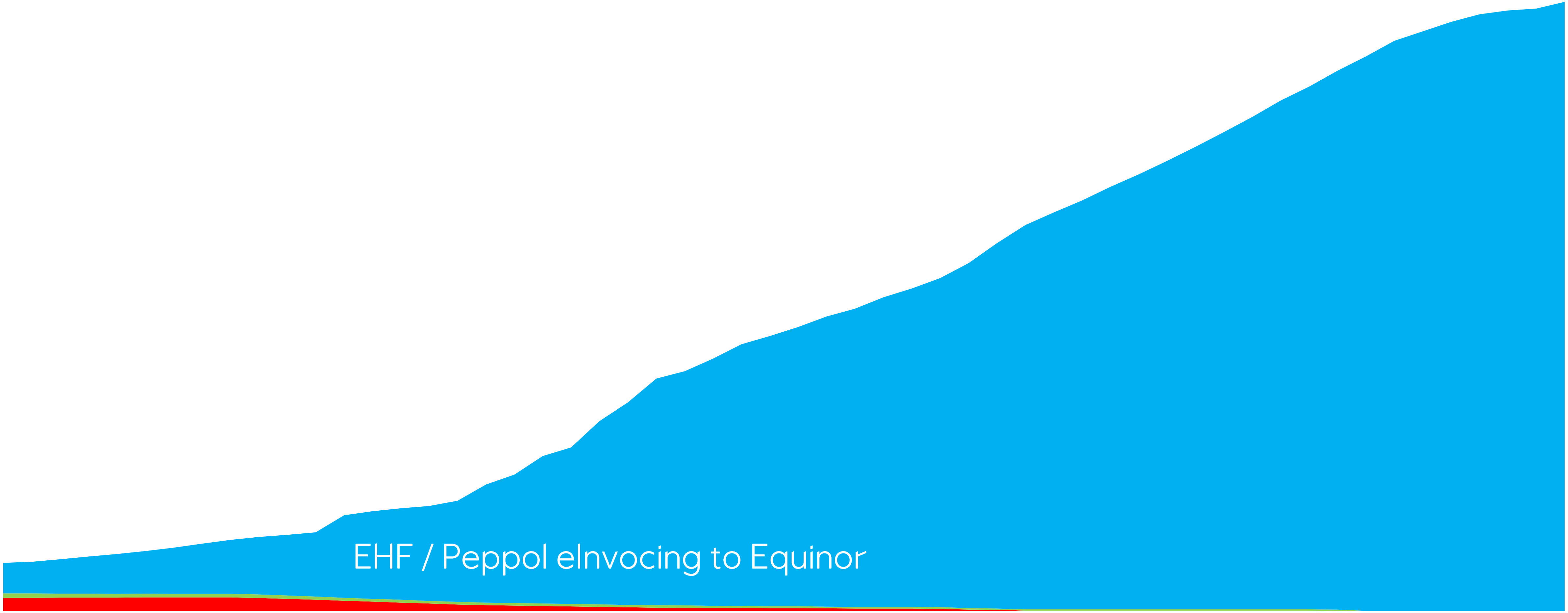
EHF/Peppol initially enabled unprecedented rapid adoption of digital exchange with a first focus on eInvoices



Invoice - evolution

	Paper	Scanned paper w/OCR	Emailed PDF	«basic» eInvoice	«PO flip» eInvoice
Cost					
Data accuracy					
Fraud mitigation					
AP workload					
Verification workload					

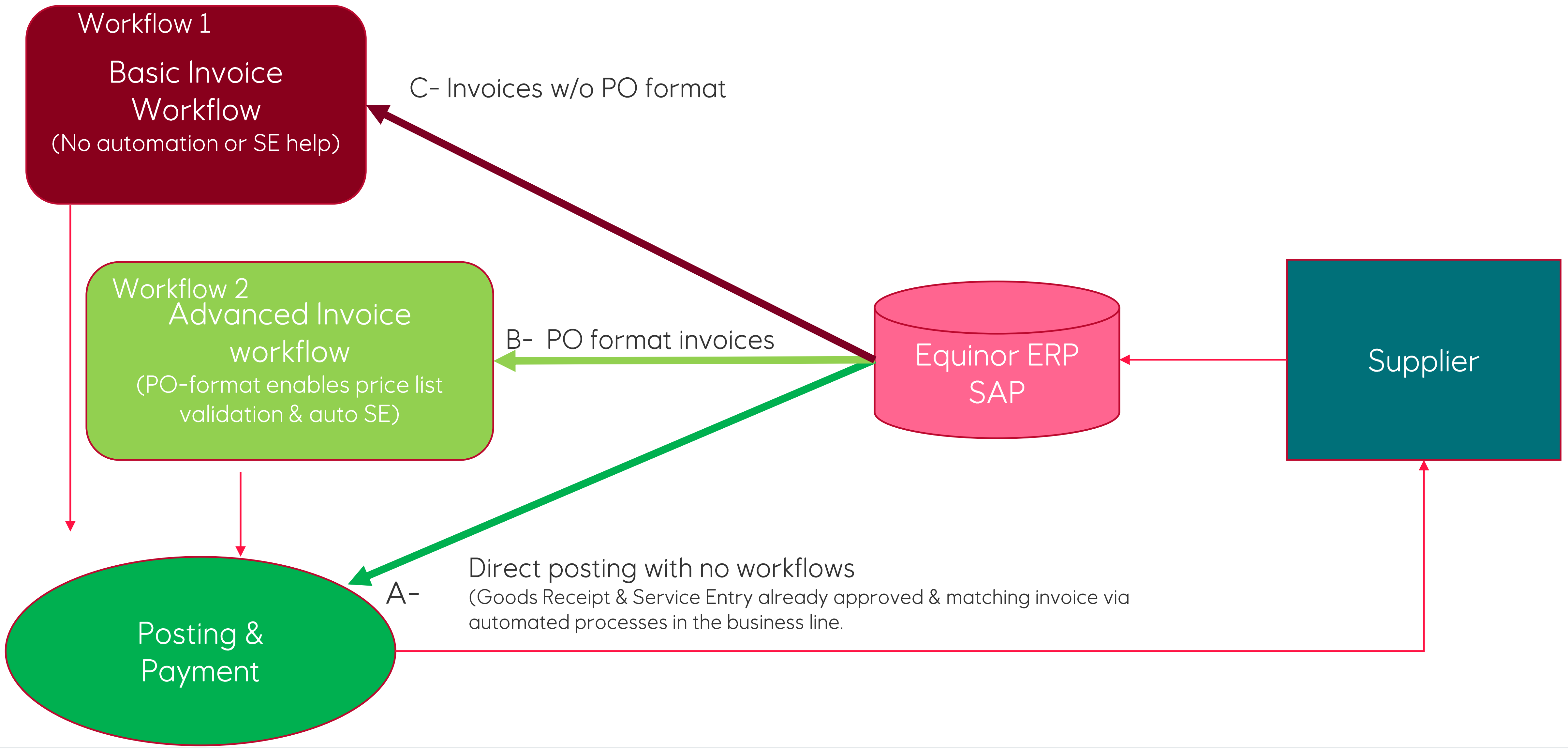
Automation potential

0 → ~100

Open

09 March 2021

Invoice Receipt Handling

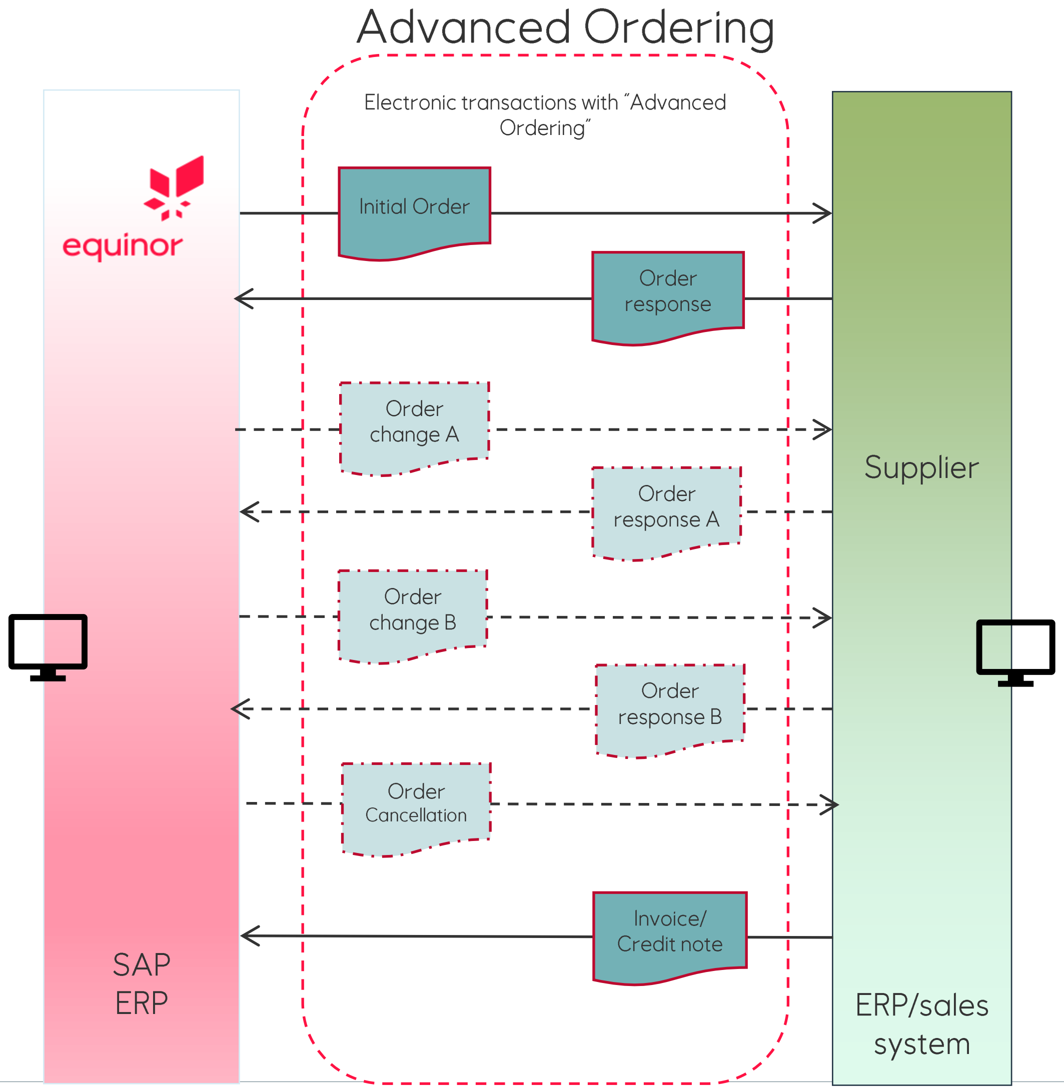


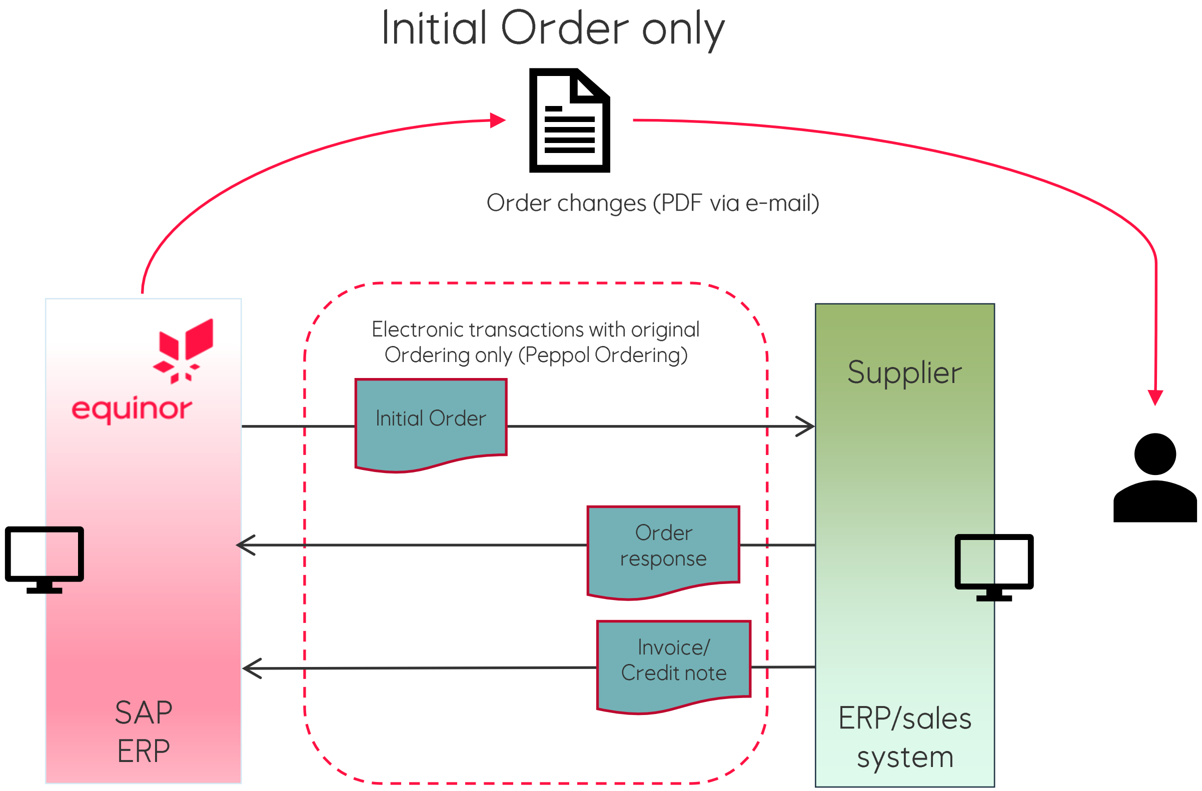
How how can we improve in 2021?

- Challenge 1: In order to increase the quality of the invoice content, we need to ensure that the suppliers structure their invoice according to the PO content
- Challenge 2: Need to track the the suppliers responses to the PO's in a unified way
- Challenge 3: Streamline the way we send PO's - minimize output mediums

Result => focus on eOrder

Two general ways to issue eOrders: Advanced Ordering vs Original Order only

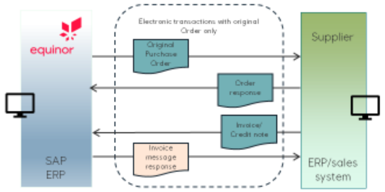




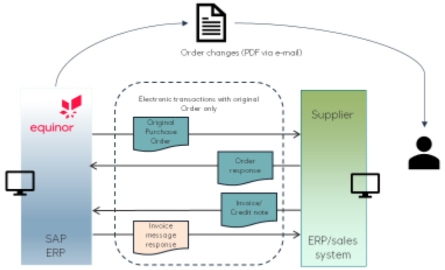
Initial Order only:
- Typical: suppliers that creates a sales order automatically for each eOrder they receive regardless of this is the initial order or an order change.
- OR – their sales system is not capable of receiving changes automatically and must be manually updated

EHF Advanced Ordering – the result of a Norwegian co-operation 2019-2020

The original EHF/Peppol Ordering

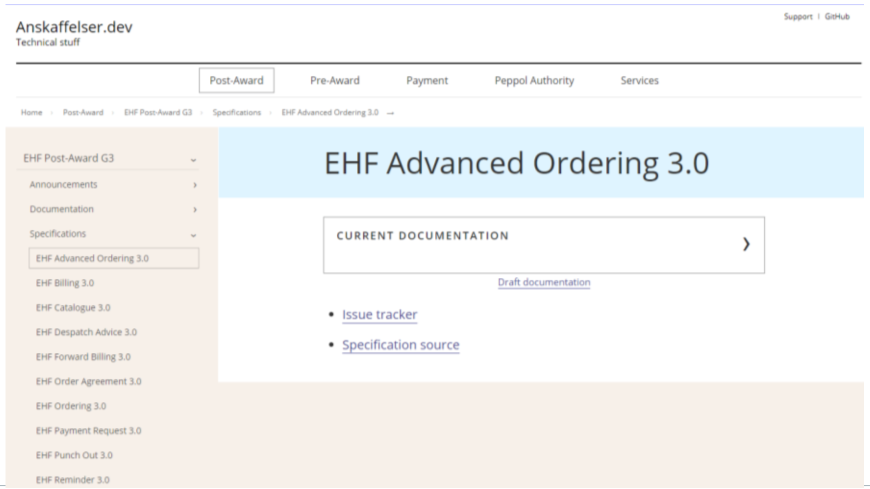


The original EHF/Peppol Ordering with changes



Equinor and suppliers needed a fully digital alternative

- DFØ - The Norwegian Agency for Public and Financial Management established a project during 2019-2020 with particpation from:
  - «Buyer» - Equinor
  - «Supplier» - Aibel and Baker Hughes
  - «Access Points» - Pagero and TietoEvry
- DFØ prepared:
  - the use cases
  - hosted and coordinated the workshops
  - prepared the foundation with the pilot specifications
  - Prepared the ability to use ELMA test and ELMA production
  - «Pilot specifications» starting Aug 2019 with a handful participants in production
  - Final specifications EHF Advanced Ordering v3 starting Mar 2020



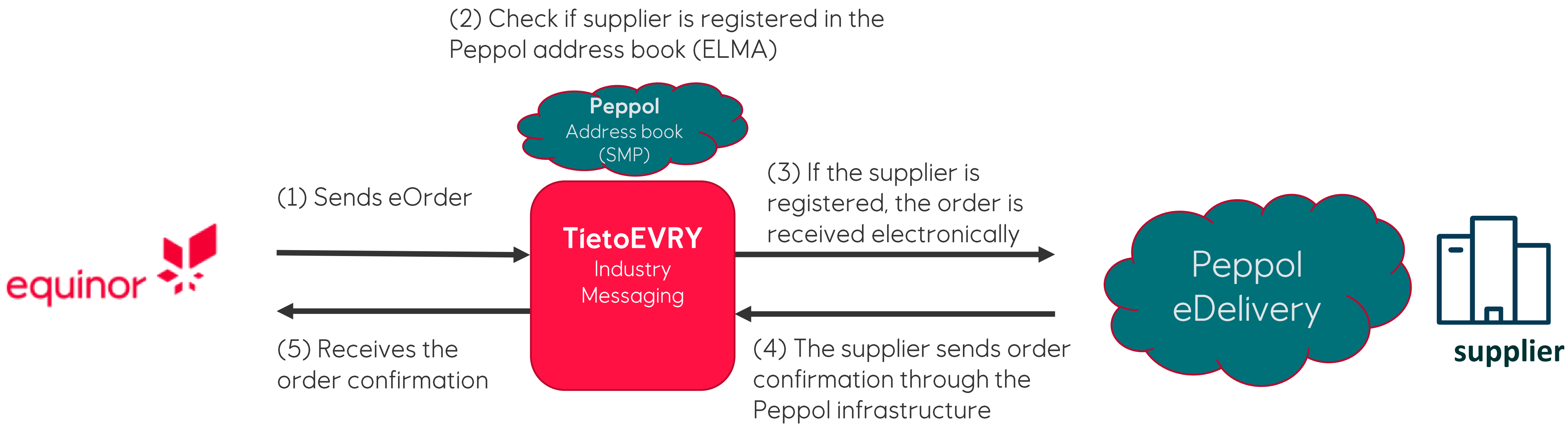
equinor

Equinor decided that Advanced Ordering* via Peppol eDelivery is the standard method of sending PO's starting Dec 2020

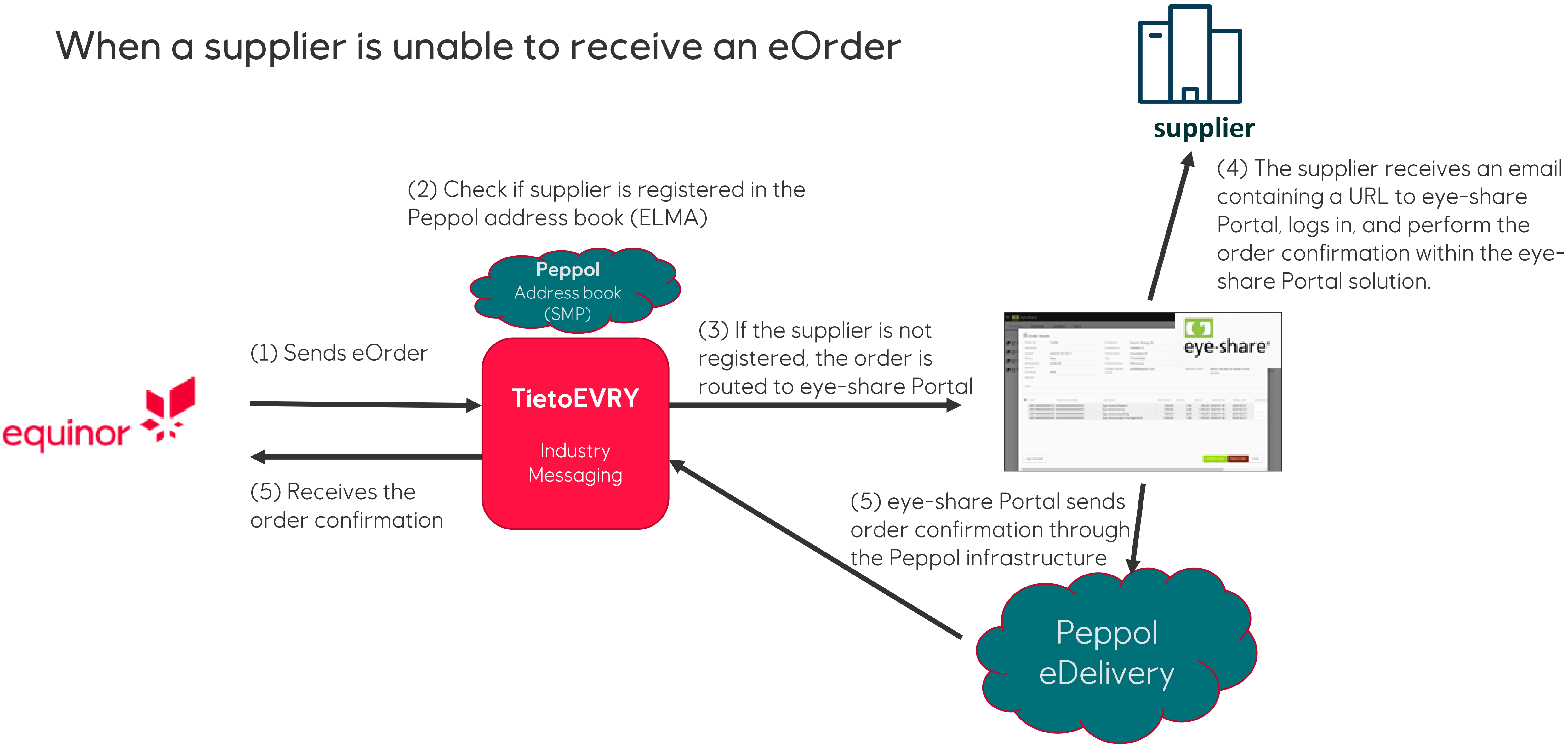
- The best way to increase the quality of the invoice content, is to ensure that the supplier has the latest PO update as the basis for a «PO flipped invoice»
- In order to track the the suppliers responses to the PO's in a unified way, we should have a unified way to send the PO's
- Streamline the way we send PO's - minimize output mediums
- For suppliers (still) unable to receive the PO's directly, Equinor will route the PO's to a portal hosted by our own chosen Peppol service provider where they can:
  - return PO responses
  - flip the PO to an Invoice in Peppol format (for those few unable to produce direcly)
  - download the eOrder as XML file and perform a self test into their own system to prepare for true B2B
- Each supplier can choose their own Peppol service provider at any time
- Sending a strong signal to the market

*In Norway we use EHF Advanced Ordering v3. Will become an international Peppol BIS standard. Suppliers can agree upon Peppol BIS Ordering v3 as an option.

When a supplier can receive an eOrder



When a supplier is unable to receive an eOrder



On Equinor.com section for suppliers, the requirements for PO's and invoices are described.

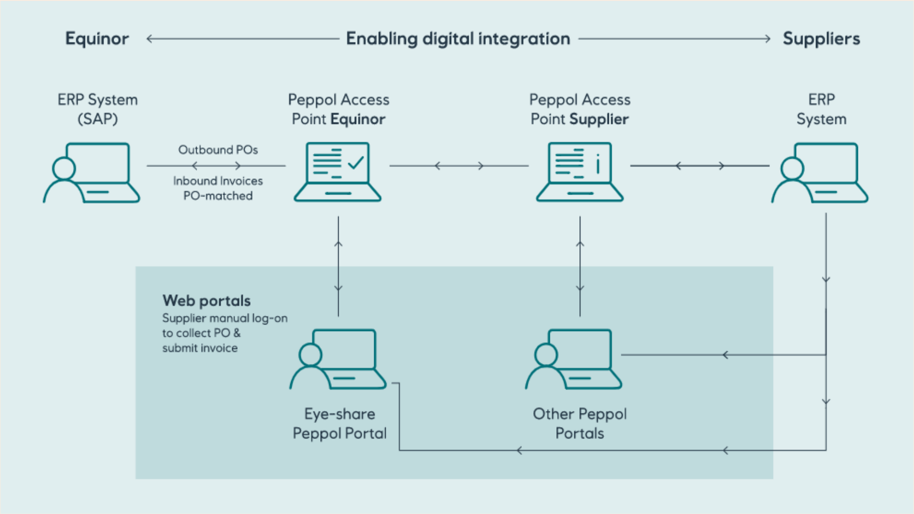
https://www.equinor.com/en/supply-chain/supplier-information/purchase-orders.html

Purchase Orders

Digitalisation of Purchase Order transmissions

We're taking the next steps on our digital transformation journey with our suppliers, where our goal is to achieve contactless digital interaction. Equinor will issue transaction data in a standard digital format to enable suppliers to be able to use the data to automate processes and systems in their own organisations.

Our Business-to-Business (B2B) architecture



https://www.equinor.com/en/supply-chain/invoicing.html

How to invoice Equinor

Before submitting an invoice to Equinor, you must be registered in Equinor's vendor master with a valid ID in accordance with the Peppol electronic address scheme (EAS) and have received a purchase order (PO) for a procurement.

As a rule, invoices to Equinor shall be submitted in Peppol BIS/International UBL format via the Peppol eDelivery infrastructure and be PO-matched with the item & service line reference (the latter applies to service lines only). More information can be found below.

General invoicing instructions

The downloadable file lays out the general instructions for invoicing applicable for all suppliers from all locations and in all formats, unless any country-specific or digital requirements specify otherwise.

All countries:

General information on how to invoice Equinor PDF 1 MB

USA invoicing instructions:

Equinor US Operations invoicing requirements PDF 656 KB

Brazil invoicing instructions:

Brazil-specific invoice procedures PDF 123 KB

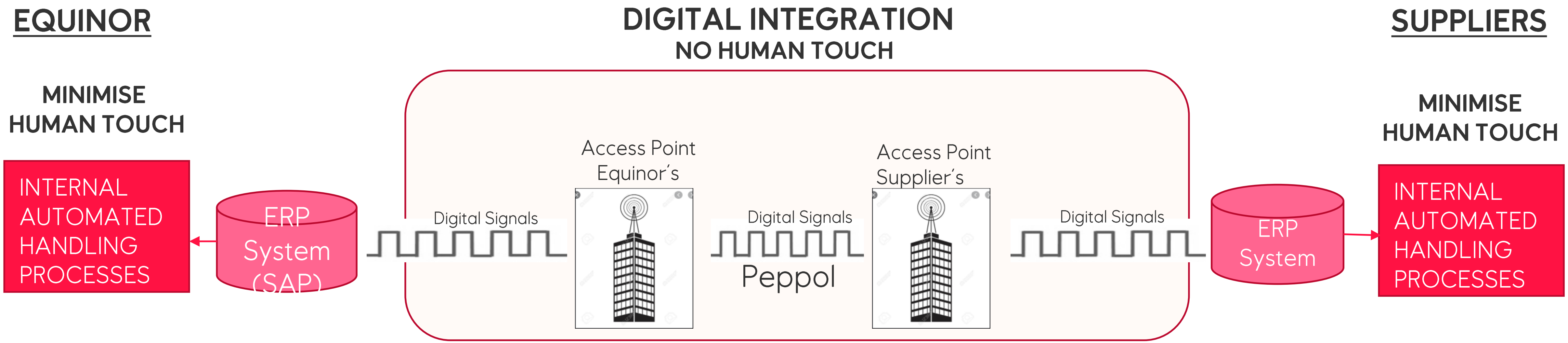
Digital invoicing instructions

In the downloadable file below you can see the reference requirements for Peppol 3.0 invoicing.

Reference requirements for EHF-PEPPOL 3.0 invoice PDF 614 KB

Ambition for SCM B2B Automation?

Transmitting standardised digital transaction data to facilitate process automation



What SCM transaction data can be transmitted ?

Operational P2P

Equinor Transactions

Contract Price LIsts
Purchase Orders
(PO confirmations)
Invoice response

Supplier Transactions

eCatalogues
(Sales Orders)
PO response
Invoices
Change Order Request

Logistics & MM

Advance Shipping Notices
External materials masterdata
++?

Equinor´s next focus: eOrder

Arne Johan Larsen, lead analyst IT, B2B/Supplier Integration for Supply Chain Procurement
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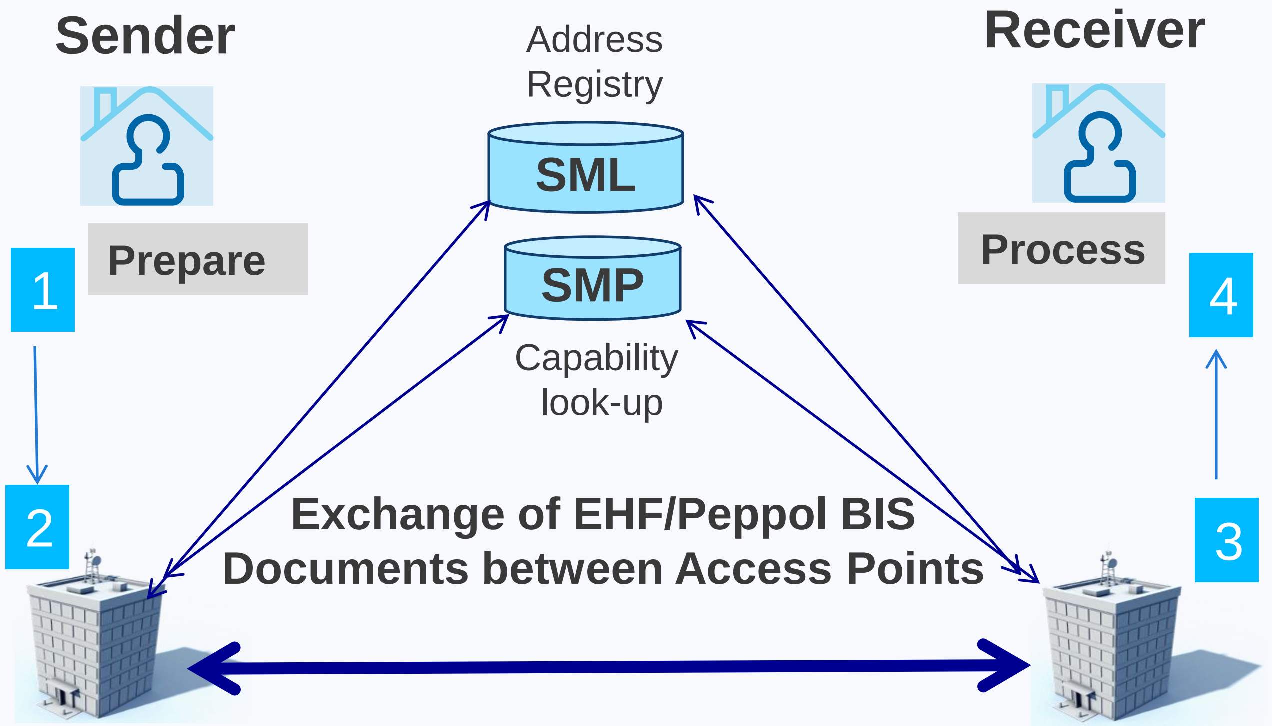
Peppol eDelivery network features, (the 4 corner model)

Free to choose ANY Access Point in ANY country

Sign ONE Agreement; Connect to ALL

Open FOUR-corner model

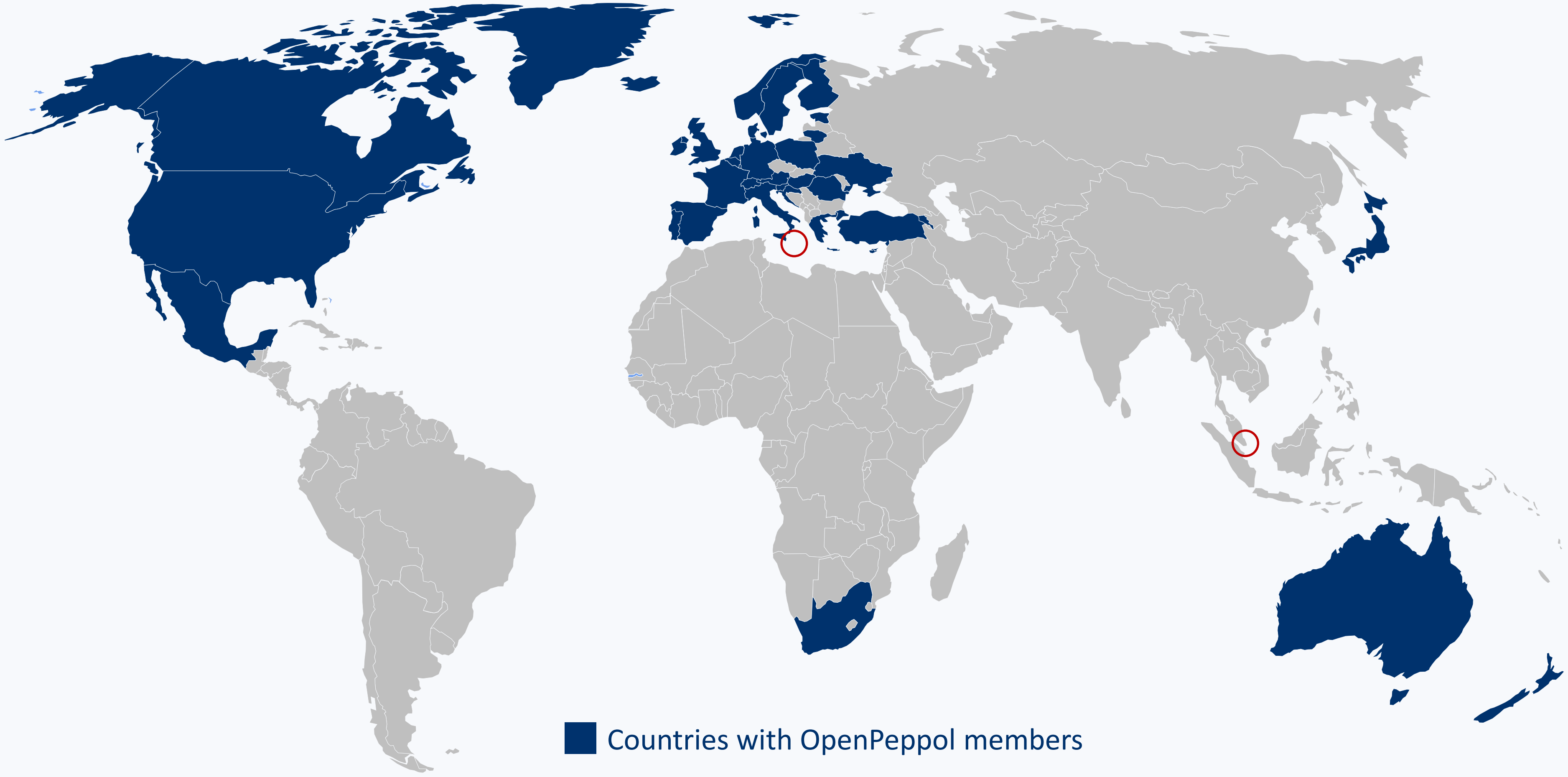
NO ROAMING fees between Peppol Access Points



Sender **Access Point** must send valid Peppol BIS documents

Receiver **Access Point** receives Peppol BIS documents

39 countries with OpenPeppol members



Countries with OpenPeppol members

Armenia
Australia
Austria
Belgium
Canada
Croatia
Cyprus
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Japan
Lichtenstein
Lithuania
Luxembourg
Malta
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Romania
Singapore
Slovenia
South Africa
Spain
Sweden
Switzerland
Turkey
UK
Ukraine
USA