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For any feedback to the process, or the document, please contact the process owner – Commercial Operations.

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| --- | --- | --- |
| APPLICABLE PRODUCT LINES | | |
| Subsea Drilling Systems | Subsea Production Systems (SPS) | |
| Subsea Services & Offshore Equipment | Trees | Controls |
| Flexible Pipe Systems | MCS | Projects |
| Surface Pressure Control  Subsea Production Systems (SPS) |  |  |

**Document Revision Chart:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rev | Section modified and revision description | Issue date | Expiry date | Author(s) |
| 1.0 | First Issue | 01.11.2012 | - | A Lestuzzi |
| 1.1 | Addition of OTR Process references to Section 6 and Flow Charts | 22.11.2012 | - | C Rochford |
| 1.2 | BHGE branding  No change to process.  Removed reference to archived QF-PER-050. | 25.08.2017 | 24.08.2020 | T Sims  (template transfer) |

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# Purpose / outcome

The purpose of this Work Instruction (WI) is to detail BHGE Subsea Services & Oilfield Equipment, Order to Remittance (OTR) process. The OTR process defines how the Services business commercially executes and delivers orders that have been formally accepted via the Services Inquiry to Order (ITO) Process WI (QW-FAC-PER-018).

Full compliance to this work instruction / procedure required by 07.09.2017.

# Scope & applicability

The OTR process is owned and managed by the Commercial Operations (CommOps) function, though there are many interfaces with the broader business.

The OTR process is used for all Services Product Management System’s (PMS- Rental, Repairs, Solutions, Spares and Equipment Management- EM), excluding: Field Service Engineering (FSE) and Integrated Services (IS).

# Process overview / instruction

Order-to-Remittance is a process for executing and delivering commercial opportunities after an order has been received via the ITO Process; the process is underpinned by project management methodologies to track schedules, scopes and budgets, identifying processing variations and stakeholder management and communication.

The OTR Process generally consists of four basic phases:

1. Order Set-Up and Establishment;

2. Order Execution;

3. Order Invoicing; and

4. Order Close-Out.

## Order Set-up and Establishment

## The purpose of “Order Set-Up and Establishment” is to formally recognise and create the order in the relevant BHGE systems, and provide the framework to allow the broader business to execute on the order. “Order Set-Up” is especially critical for the financial management of the order processing, including capturing costs and recognising revenue.

## “Order Set-Up and Establishment” will commence only after the order has been handed over to the Sales Support Analyst from the Proposal Analyst, as per the Services Inquiry to Order (ITO) Process WI (QW-FAC-PER-018).

### Upon receipt of the order handover from the Proposal Analyst, the Sales Support Analyst will review all available information for completeness and accuracy, referring back to the Proposal Analyst for any clarifications.

### The customer PO and, where applicable, the customer contract will be reviewed to ensure all commercial terms associated with the order are understood (such as mark-up rates, inclusions, exclusions and invoicing requirements); where any of these elements are not clear the Sales Support Analyst needs to request the information from the Proposal Analyst or request a handover meeting.

### Where PO’s received do not match quotes issued and or contract positions this should be raised immediately by the Sales Support Analyst, and if required, the order formally rejected until the discrepancies are resolved.

### The order will be set up in the relevant BHGE systems, including the following activities:

#### Create the framework for the order within the Australian Oracle system, including: project number, contract number and Sales Order (SO) as required;

#### Where the order involves the receipt of a Customer delivery/ies to the Jandakot facility (such as equipment or tooling for inspection or repair), a Request (for) Material Acknowledgment (RMA) number (type of SO) will be generated within Oracle to identify the delivery when it arrives, ensuring it is routed correctly.

#### This number will be communicated to the nominated Customer contact (typically either the Services Sales Manager or Integrated Service Coordinator (ISC)), and will be required to be included on all applicable delivery documentation. Note, details related to RMA generation can be supplied at a later date, where not included or known when the initial order is received.

#### Ensure final updates are/have been made to the SFDC opportunity record (part of ITO handover), especially “Closed-Won” stage and the expected order date.

### The execution of all orders involves the collation and retention of critical documentation. The Sales Support Analyst will create the following repositories for the order:

#### A hard-copy Order File will be created as per standard Australian Commercial Operations team process (file type and labelling convention) ; this file will be retained by the Sales Support Analyst during the order execution phase, at completion it will be moved to the central storage facility at the Jandakot facility (Subsea Services building).

#### An electronic sub-folder within the Australia BHGE Services Folder system, using standard Australian Commercial Operations naming convention. The Sales Support Analyst identifies the functional team members required to support the RFQ and sets appropriate access rights. The sub-folder will be associated with the original electronic folder created (based upon the SFDC#) during the ITO process. Refer Services Inquiry-To-Order (ITO) Process WI (QW-FAC-PER-018).

### The Sales Support Analyst will now be able to raise SO’s and Purchase Order Requisitions (POR) within Oracle related to the order.

#### Sales Orders are essentially job packets related to specific elements of work i.e. an order may have a SO for the procurement of spare parts, and another for repair works. SOs are typically created by PMS grouping, but can be broken down further by specific activities or phases i.e. an order for storage services, may be broken down into twelve SOs, one for “Equipment Management” (PMS code) services for each month of the year.

#### Purchase Order Requisitions (PORs) are formal requests logged within Oracle to initiate purchasing activities - typically the POR will be sent to Sourcing to raise orders directly with suppliers for parts and services that were priced as part of the ITO process.

## Order Exectution

## “Order Execution” encapsulates the majority of time an order spends within the OTR process; after the SOs and PORs have been raised in Oracle, the Sales Support Analyst’s primary role is to manage the delivery of the order as per the agreed schedule, scope and budget.

### The (OTR) Sales Support Analyst will coordinate all OTR resources to ensure the order is delivered to the agreed schedule, budgets and scope; OTR resources are those teams and individuals across the broader business, functional and external teams associated with the order delivery (i.e. workshop teams).

### A weekly OTR Tracking meeting will be conducted and attended by all Sales Support Analysts, and associated business stakeholders (typically this would be PMS and identified functional leads); the purpose of this meeting is to:

#### Review all orders in progress, and monitor how they are tracking against schedule, scope and budget requirements;

#### Identify any potential or confirmed variations to the agreed order- the Sales Support Analyst will be required to collate all relevant information and work with the Proposals Analyst (ITO) to provide a formal Variation Order (VO) (scope, schedule and/or price) to the Customer contact for approval prior to proceeding with any uncontracted elements. No works should commence on uncontracted works until Customer confirmation is received, preferably in the form of an amended PO;

#### Assign action items to ensure order progression;

#### Identify significant issues in order progression, and escalate for resolution- within the Commercial Operations function, this would be the Commercial Manager.

### The Sales Support Analyst will continuously update the Customer contact on order status- at a minimum, a weekly formal OTR Status update template will be provided (to ISCs).

### The Sales Support Analyst will continually update the OTR Tracker with current actual and forecast information, including expecting completion and bill dates.

### The Sales Support Analyst will collate all documentation associated with the order, and particularly, those required by the Customer for invoicing; examples of critical documentation are: Work Orders (WO), Manufacturing Orders (MO), approved Variation Orders (VO), third party invoices, timesheets, Engineering drawings, inspection reports and Certificates of Conformance (COC).

#### Copies of all documentation should be stored within the relevant Australia BHGE folder system.

#### Where customer-defined invoicing formats are required, these shall be used, otherwise, as a minimum, a summary cost build-up sheet will be provided, making reference to contract/PO elements where available, with supporting documentation.

#### Where required documentation is not available, and required for Customer invoicing, the Sales Support Analyst will raise this with the Commercial Manager; the Sales Support Analyst does not have the authority to approve GE absorption of cost. Where absorption of costs is agreed this should be agreed in writing by the Commercial Manager, and electronic / hard-copy records retained. Refer to Document and Record Location Map (QO-PER-002).

## Order Invoicing

# “Order Invoicing” is the final phase where BHGE is interfacing with the customer to obtain payment for goods and services provided. It is expected that all orders are invoiced to the customer, with required supporting documentation, in the required format within thirty (30) days of the order completion.

### For all invoicing activities the Sales Support Analyst will be responsible for:

#### Collating all documentation required to justify and/or support the invoice approval process.

#### Calculating Customer costs in an accurate, timely and honest manner, which could be justified and/or supported where required.

#### Where not all documentation is available, the Sales Support Analyst will either advise the Customer contact that there may be follow-up invoices, or escalate to the Commercial Manager for assistance.

#### Invoicing should be complete in line with Customer requirements where defined and agreed, this will include system interfaces, formats and supporting documentation requirements.

### Order invoicing is typically complete using two (2) primary processes:

#### Customer Pre-Approval Prior to Invoicing:

##### The Sales Support Analyst will prepare the invoice deck including a draft invoice and supporting documentation and send to the Customer contact in a timely manner for customer approval. The Sales Support Analyst should clearly articulate dates by which approvals are required to ensure revenue recognition is not impacted by missed month-end invoicing cut-offs.

##### Upon confirmation of Customer agreement of the draft invoice, the Sales Support Analyst will forward all required information to the Finance Department for processing.

#### Direct Invoicing to Customer:

##### Where the customer does not need to review the invoice prior to submission, the Sales Support Analyst will collate the invoice deck (as per this WI), and forward it to the Finance Department in a timely manner for processing, so as not to miss month end invoicing cut-offs.

### The OTR Tracker should be updated to reflect invoicing status.

## Order Close-out

Once the order has been delivered to the customer in full, and invoicing has been confirmed (Finance confirms invoice has been sent to the customer), the Order will be “Closed-out” within the BHGE systems.

### All documentation associated with the order will be retained within the relevant Australia BHGE Services Folder system.

### Copies of all key documentation should also be collated and stored within the Order File (hard copy) - refer to 3.1.5.1.

### The OTR Tracker should be updated to reflect closure of the order and all milestone dates and details are correctly and accurately documented.

### The Sales Support Analyst will review all orders at completion, and identify those that were not delivered as per the customer agreed schedule, scope or budget; lessons learned should be completed and outcomes shared with the Commercial Operations team. Where required, deep dives will be completed on specific orders to drive continuous improvement in the OTR process and function/business team interfaces and processes.

# Roles & responsibilities

| Key Role | Responsibility |
| --- | --- |
| Sales Manager/Integrated Service Co-Ordinator | Provide the interface between the Commercial Operations team and the customer. For a given order, the Sales Manager/ISC will be responsible for reviewing incoming and outgoing communications in a timely manner and driving resolution with the Customer on raised points. |
| (OTR) Sales Support Analyst | Receiving and reviewing customer orders from the ITO process, setting the order up in the system and managing its execution and delivery to Customer agreed schedule, scope and budget.  The Sales Support Analyst is the Project Manager for the delivery of each order, and needs to manage risk of delivery, including identification and Customer approval of variation orders and general stakeholder management elements. |
| Services Business Functions | The business and functional teams procure and/or create the ordered products and/or services or manage supporting services, such as invoicing. |
| Commercial Manager | Where required, review and support the Sales Support Analyst manage the OTR Process in a compliant, profitable and consistent manner; will often be involved in situations where escalation is required to progress an order. |

# Quality records

The following is a summary of records produced by this work instruction that shall be maintained and controlled according to the requirements of [OGQ-0102 - Record Control](http://edms.pw.ge.com/dctmquality/home/components/drl/drl.jsp?objectId=0900f5ea80796e2d&showRendition=true). All records shall be in line with Records location map relevant for the site/organization.

| Record |
| --- |
| Commercial Ops Order To Remittance Checklist |
| BHGE Purchase Order Requisitions |
| BHGE Invoice to Customer |
| Order File |
| Approved Variation Orders |
| OTR Status Update Form |
| BHGE Invoices |
| Third Party Invoices |
| Work Orders |
| Manufacturing Orders |
| Timesheets |
| Engineering drawings |
| Inspection reports |
| Certificates of Conformance |

# References, terms, definitions & acronyms

## References

| Number | Name | Training material & quiz |
| --- | --- | --- |
| n/a | BH[GE O&G QMS Lexicon](http://supportcentral.ge.com/@lexicon) | n/a |
| n/a | [Subsea Systems & Drilling QMS Lexicon](http://libraries.ge.com/download?fileid=697340101101&entity_id=55721334101&sid=101) | n/a |
| [OGQ-0102](http://edms.pw.ge.com/dctmquality/home/components/drl/drl.jsp?objectId=0900f5ea8063d167&showRendition=true) | [O&G Record Control Procedure](http://edms.pw.ge.com/dctmquality/home/components/drl/drl.jsp?objectId=0900f5ea8063d167&showRendition=true) | [OGQ-0102TM](http://edms.pw.ge.com/dctmquality/home/components/drl/drl.jsp?objectId=0900f5ea8063d169&showRendition=true) |
| QF-PER-045 | Pricing and Quote Check List (ITO) – CommOps |  |
| QF-PER-046 | Order to Remittance Check list (OTR) - CommOps |  |
| QO-PER-002 | Record Location Map |  |
| QW-FAC-PER-003 | Controlling Rental Agreement WI |  |
| QW-FAC-PER-018 | Inquiry to Order (ITO) Process WI |  |
| QW-FAC-PER-020 | Equipment Management OTR Process WI |  |
| QW-FAC-PER-021 | Sapre Part Order Execution OTR Process WI |  |
| QW-FAC-PER-022 | Repair & Solutions OTR Process WI |  |

## Terms, definitions & acronyms

Italicized terms have been defined in [BHGE QMS Lexicon](http://supportcentral.ge.com/@lexicon) for Terms, Definitions and Acronyms. In case of conflict with [BHGE QMS Lexicon](http://supportcentral.ge.com/@lexicon). For this document, the below table will take precedence.

| Acronym | Term | Definition |
| --- | --- | --- |
|  | Customer | Organisation or person that receives a service or product. |
|  | Deal Management | This is a module within each Salesforce.com (SFDC) opportunity entry which must be completed prior to issuing a quote to the Customer. Deal Management is a risk assessment tool, which determines what level of review and sign-off is required for each quote/proposal. |
|  | Inquiry-To-Order (ITO) | The process for developing commercial opportunities that includes risk review, development of a proposal and handoff to OTR; also a sub-group within the Commercial Operations function. |
|  | Order | Agreement to fulfil a contract or Customer Purchase Order (PO). |
|  | Order-To-Remittance (OTR) | The period of time and activities associated with a sales contract from the time a commitment is accepted by the execution team until contractual obligations are complete; also a sub-group within the Commercial Operations function. |
|  | Oracle | Australia Oil & Gas Oracle Enterprise Resource Planning (ERP) system. |
|  | OTR Tracker | Services process for monitoring the status of order delivery, the OTR Tracker is a central database used to track the status of an order across key milestones; this information is used in the formal OTR Tracker meeting, attended by all stakeholders involved in the order delivery process. |
|  | (Invoice) Pre-Approval | A process employed by some Customers whereby a draft copy of the invoice needs to be sent for review and approval by the Customer prior to the formal invoice being sent to the Customer for payment. |
|  | Proposal | Document that formalizes what is being offered to the customer- less complex or discrete deals and/or contract call-off, developed by the Proposal Analyst, and submitted via Oracle.  A Quote can also be referred to as a Proposal. |
|  | ITO Mailbox | Central email box accessible by the Commercial Operations team- all Request For Quotes (RFQ) are submitted via this mechanism. |
| BHGE |  | Baker Hughes a GE Company |
| CDE |  | Capital Drilling Equipment |
| COC |  | Certificate of Conformance |
| CommOps |  | Commercial Operations |
| DoA |  | Delegation of Authority |
| EM |  | Equipment Management |
| ERP |  | Enterprise Resource Planning (System) |
| FSE |  | Field Service Engineering |
| IS |  | Integrated Services |
| ISC |  | Integrated Service Coordinator |
| ITO |  | Inquiry To Order |
| KYC |  | Know Your Customer |
| MO |  | Manufacturing Order |
| O&G |  | Oil & Gas |
| OTR |  | Order To Remittance |
| PMS |  | Product Management System |
| PO |  | Purchase Order |
| POR |  | Purchase Order Requisition |
| RFQ |  | Request For Quotation |
| RMA |  | Request (for) Material Acknowledgment (a form of Oracle Sales Order) |
| SFDC / SF |  | Salesforce.com |
| SO |  | Sales Order |
| SS |  | Subsea Services |
| VO |  | Variation Order |
| WI |  | Work Instruction |
| WO |  | Work Order |

# Appendix

1. Services – Order to Remittance Process (Prepare invoice no variation)
2. Services – Order to Remittance Process (Prepare invoice with variation)
3. Services – Order to Remittance Invoicing Process





