

## BAKER HUGHES DRILLS INTO WEBMETHODS TO REDUCE PROCESS TIME AND COSTS

### Challenge

Baker Hughes wanted to optimize its Procure-to-Pay (P2P) process to improve invoice accuracy, minimize delivery delays and reduce late payments. The worldwide petroleum leader needed a world-class Business Process Management (BPM) solution to increase process agility, visibility and control.

### Solution

A webMethods customer since 2001, Baker Hughes built on its investment in the webMethods integration platform by adding webMethods BPMS to gain new efficient capabilities for process modeling and execution. The company used webMethods Optimize for SAP to create a real-time dashboard to proactively monitor P2P activities, end-to-end, across different systems.

### Benefits

- P2P process now faster, traceable and paperless
- Reduced invoicing costs—Baker Hughes saves \$5-6 on every bill
- Reduced invoice errors—in one instance, an erroneous \$40 million invoice was identified and corrected to \$40,000 in minutes
- Reduced payment delinquency rates
- Improved process visibility and better supplier relationships
- Continuous process improvement, thanks to tracking Key Performance Indicators (KPIs)



A top-tier oilfield service company, Baker Hughes provides the worldwide oil and natural gas industry with products and services for drilling, formation evaluation, completion and production. Based in Houston, Texas, U.S., the company employs more than 34,000 employees and operates in more than 90 countries across the Americas, Europe, Africa, Russia Caspian, the Middle East and the Asia-Pacific region.

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**“We shortened processing times, obtained traceable processes and a paperless work environment, thanks to Software AG’s webMethods Business Process Management Suite. In doing so, we also improved overall sales, retention and transparency.”**

Anthony Aming | Project Manager | Baker Hughes

### Working as partners to improve performance

At Baker Hughes, collaboration is at the heart of the business. The company is known for listening to its clients to understand their unique challenges and then developing solutions to help them manage expenses, maximize assets and achieve a good return on investment. So when it was time to improve processes, Baker Hughes looked for a vendor with a similar approach.

For years, Baker Hughes had integrated its SAP ERP system with other systems via the webMethods integration platform. The company also used webMethods Trading Networks as a single B2B gateway with suppliers and clients. After success with these initiatives, Baker Hughes decided to “drill deeper” into the webMethods product line when optimizing its P2P process.

Baker Hughes chose webMethods BPMS after evaluating several alternatives in detailed assessments, live demos and workshops. The selection enabled Baker Hughes to leverage and extend its existing webMethods integration framework with powerful capabilities to automate processes.

By adding Business Activity Monitoring (BAM) with webMethods Optimize for SAP, Baker Hughes gained “business process instrumentation,” as Project Manager Anthony Aming called it. Now management can measure workflow performance and then improve processes—the key to achieving greater efficiency.

### Procure-to-Pay: done the right way

Tens of thousands of transactions flow daily through the SAP infrastructure at Baker Hughes. Embedded in those transactions are hidden insights on sales opportunities, delinquent payments and incorrect orders. Baker Hughes wanted to uncover these insights and while reducing the cost of its P2P cycle. That meant accelerating related processes, automating tasks and improving data quality.

With webMethods BPMS and webMethods Optimize for SAP, the company has found a way to

inject agility into the process in four key areas: awareness, flexibility, productivity and adaptability.

As Aming explained, “The first thing you need to do is have an awareness of the problem or an awareness of an event or situation. And once you are aware, you need to do something to drive the productivity of that situation. And you need to be flexible enough ... to adapt to whatever occurred.”

### Real-time metrics for the first time

A synchronization dashboard—or console—displays real-time KPIs and other transaction data at any time. Baker Hughes can monitor and measure process volume, velocity—how fast things are flowing, value and quality—to proactively head-off problems as well as make ongoing process improvements. The company knows, for example:

- When a purchase order is sent from SAP to the supplier
- When the order’s received by the supplier
- When the shipment’s made, received and inspected
- When the supplier sends an invoice
- When payment’s made

“We do that for every single transaction,” Aming said. If a problem arises, the company can drill down into the process to find the cause and proactively fix it.

Alerts go out 24/7 whenever there’s a process abnormality, such as a lapse in payment or a typo in the number of units ordered. In one instance, an erroneous \$40 million invoice was identified and corrected to \$40,000 in minutes. Overall, since automating the process and tracking it digitally, Baker Hughes has seen a dramatic reduction in invoice errors as well payment delinquency rates.

### Saving \$5-6 on every invoice

Optimizing the process also has helped Baker Hughes eliminate unnecessary steps. For example, by scanning invoices into the SAP system, the company saves time and approximately \$5-6 per invoice. Digitized invoices also get all parties “on

the same page” because they share access to the same digitized invoice with the same figures and details.

### KEY COMPONENTS

**webMethods BPMS** unites leading BPM and SOA capabilities to offer a comprehensive set of fully integrated tools for automating and managing processes.

**webMethods Optimize for SAP** is a BAM solution that enables Baker Hughes to see how SAP processes are performing and how to improve them.

**webMethods Optimize for Infrastructure**, also a BAM solution, offers real-time insight into the performance of webMethods Integration Server.

**Global Consulting Services** provided a dedicated Technical Account Manager, who assisted the Baker Hughes technical team with process modeling and implementation. This accelerated the project and enabled Baker Hughes to use proven best practices and gain valuable technical insights on the spot.

### ABOUT SOFTWARE AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods. We are unique in offering the world’s only end-to-end—and easiest to use—business process management (BPM) solutions, with the lowest Total-Cost-of-Ownership.

Our industry-leading brands, ARIS, webMethods, Adabas, Natural and IDS Scheer Consulting, represent a unique portfolio for: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services. Our comprehensive software and services solutions allow companies to continuously achieve their business results faster.

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