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Our digital vision is to drive innovation and transformation in a manner that enhances operational efficiency, improves stakeholder management and satisfaction, and helps BPCL stay ahead of the curve. The SSC and vendor invoice management automation are some of the early steps in this journey. It has been a very satisfactory collaboration with Capgemini, who was not only instrumental in driving a successful digital transformation but was a strategic partner who understood our challenges and advised us on the right way forward.”

Prabhu Venkatesh

*Head - Business Process Excellence Center,
BPCL*



Vendor invoice management system automation takes BPCL a step forward towards a paperless future.

Capgemini helps BPCL automate critical business processes in Finance & Accounting leading to improved operational efficiency and better governance.

Technology is the fuel

As the leading Oil & Gas company in India, Bharat Petroleum Corporation Limited (BPCL) manages the end-to-end energy value chain in India. The company offers a range of petroleum and subsidiary products which power vehicles on the roads, cater to the fuel requirements of 8,000 industries, and meet the energy requirements of millions of Indians.

BPCL operates with a network of refineries and petrol pumps spread across different parts of the country. The company achieved a turnover of \$30 billion in FY16.

Overview

Customer Name: BPCL

Industry: Oil & Gas

Location: India

Client Challenges/Business Need: BPCL was faced with serious issues around governance and process efficiency resulting in financial leakage, weakened compliance, and a challenging vendor management environment. The corporation needed to enhance operational and cost efficiencies and drive growth in an increasingly competitive market.

Solution: Capgemini helped BPCL automate the VIM process and set up the Shared Services Center, a central framework for digital transformation for the business critical F&A process.

Benefits:

- Save \$19 million in the first six months of its operations
- Manage 90% of finance functions through the Shared Services Center by the end of 2017
- Improve governance through better internal controls
- Ensure timely tax credits
- Improve operational efficiency
- Drive paperless transactions

The Collaborative Approach

The Collaborative Business Experience™ is central to the Capgemini philosophy and a pillar of our service delivery.

Capgemini worked with BPCL to conceptualize, execute, and create value for the future, enabling seamless functioning of the Business Process Excellence Center (BPEC) along with other teams.

Similar to the challenges faced by Oil & Gas companies across the globe, BPCL is tasked with addressing the growing challenges of rapidly depleting natural resources, increased regulations, and heightened public scrutiny.

To meet these challenges, BPCL is investing heavily in digital technologies across the manufacturing and distribution supply chain. The company wanted to set up a Shared Services Center (SSC) to drive its digital transformation vision in key Finance & Accounting processes and introduce digital technologies like robotics, automation, cognitive analytics, and machine learning, among others in the organization.

Capgemini was chosen as a key partner to assist BPCL in setting up the SSC and support in the digitization and maintenance of key Finance & Accounting processes. One of the first initiatives was to digitize the Vendor Invoice Management (VIM) process within a record time of five months. Going forward, the vision is to digitize every Finance & Accounting process and move towards a paperless future.

Automating vendor invoice management

The VIM for non hydrocarbon material and services was the first process that was moved to the SSC.

The business drivers for moving VIM under the SSC were:

1. Drive digital transformation to ensure future readiness in an increasingly competitive domestic market
2. Improve governance through better internal controls to avoid financial leakage and duplication in payments
3. Build a robust process, compliant with tax laws, to ensure timely tax credits
4. Improve operational efficiency through centralized invoice processing
5. Raise trust with vendors through an improved cash management lifecycle that would offer timely processing of vendor invoices and better pricing discounts
6. Reduce costs

Driving agility and predictability

BPCL wanted to create a system that would ensure predictability and agility while reducing costs for their businesses. With the automated vendor invoicing system, BPCL completely transformed their vendor management and finance landscape by enabling the finance function to process 80% of the payments within a week and 90% of the payments in 15 days.

Digitization of the VIM process led to significant manpower cost reduction for BPCL. Work that was previously handled by 3,000 employees, is now being done by a team of 25–30 employees.

Paving the way for financial compliance

With the SSC, BPCL has also improved its tax compliance framework and is now geared up for the Goods and Services Tax (GST) era. GST will bring buoyancy in the industry by simplifying tax administration. With robust finance processes and VIM in place, BPCL can comply with GST requirements better.

The new system provides complete transparency to all its stakeholders and also allows mobile enabled notifications to BPCL's vendors. The company expects to digitize 90% of its finance function by the end of 2017.

The smooth manner in which BPCL has integrated digital technologies with its operation is a trendsetter for Oil & Gas companies in India. In days to come, the company will lay more emphasis on robotics process automation, cognitive analytics, and machine learning and extend digitization to other key business and financial processes such as digital payments, customer interactions, and reconciliations.

Results count:

The SSC and the automated VIM has helped BPCL achieve some key business outcomes:

- Save \$19 million in the first six months of its operations
- Manage 90% of finance functions through BPEC by the end of 2017
- Improve governance through better internal controls
- Ensure timely tax credits with a robust tax process
- Improve operational efficiency as only 25–30 people are now required to handle invoices, which were earlier being handled by a team of 3,000 members
- Drive paperless transactions

About Capgemini

With more than 190,000 people, Capgemini is present in over 40 countries and celebrates its 50th Anniversary year in 2017. A global leader in consulting, technology and outsourcing services, the Group reported 2016 global revenues of EUR 12.5 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at
www.capgemini.com

About BPCL

Bharat Petroleum Corporation Limited (BPCL) is an Indian state-controlled Oil & Gas company and the country's second largest oil marketing public sector company. The company is ranked #358 on Fortune 2015 global list; ranks 5th among the only seven Indian companies on the list. BPCL drives continuous innovation to extend customer focus and improve operational and financial efficiency. BPCL is focused on achieving significant expansion in upstream and downstream business to drive future growth.

Learn more at:
www.bharatpetroleum.com

For more information on this project, please visit:

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