



CHEVRONTEXACO CORP.

The world's fourth-largest publicly traded integrated energy company, with operations in more than 180 countries.

Industry: Energy
Geography: Global

Deployment Summary

- TIBCO's solution enables real-time data flow from the Ariba® e-procurement application to SAP® and J.D. Edwards® enterprise resource planning (ERP) applications and plant maintenance system.
- Approximately 1,200 suppliers currently use the deployment in the United States, Argentina, and multiple locations in Southeast Asia.
- ChevronTexaco is extending the project to other major company sites in Nigeria, Scotland, Indonesia, and Kazakhstan.

Benefits

- The deployment provides visibility into spending transactions, helping ChevronTexaco to fulfill commitments with its suppliers.
- Visibility into transactions reduces internal approval chains, enabling faster invoice payments.
- Standardized, electronic format for transactions improves employee productivity by eliminating the need to track down paper documents.
- Increased employee productivity and operational efficiency has allowed ChevronTexaco to reduce costs.



“Our TIBCO integration project has streamlined e-procurement processes and made us more efficient. The new system is enhancing collaboration between us and our suppliers. We have a history of every step in the process, so we always know who did what to each transaction, and when.”

David Crockett, e-Procurement Solutions Team Manager, ChevronTexaco Corp.

ChevronTexaco Uses TIBCO to Integrate E-Procurement

ChevronTexaco Corp. is the world's fourth-largest publicly traded, integrated energy company. A leading North American marketer of gasoline, aviation fuels, and other refined products, the company also is active in 180 countries

At its many company locations around the world, ChevronTexaco regularly conducts business with hundreds of international and local suppliers. The Procurement department is responsible for negotiating corporate purchasing agreements and managing orders, invoices, and payments to suppliers. These responsibilities involve tracking and approving thousands of purchase orders and invoices. One measure of the process efficiency is the speed and accuracy with which the company conducts these transactions – and ChevronTexaco saw room for improvement.

Most transactions ran smoothly, and the majority of invoices were paid accurately and quickly. The bulk of invoices were received and processed as paper documents, but a small percentage of these invoices would go astray. When this problem occurred, both ChevronTexaco employees and suppliers spent valuable time manually recovering old documents and piecing together the history of transactions.

Invoices received through electronic methods also were subject to certain inefficiencies. Some suppliers sent invoices through electronic data

interchange (EDI), but routing these transactions was not a user-friendly process. As a result, EDI transactions sometimes sat for a few days without action, slowing the payment process

TIBCO-enabled e-procurement System Streamlines Transactions

To benefit both the company and its suppliers, ChevronTexaco decided to implement an e-procurement system to improve order placement and invoice-handling procedures. The company wanted to ensure that bills were paid promptly and accurately, and that internal approvals took place in a timely manner. One of the biggest goals was to provide visibility into spending transactions to ensure that the company lived up to its negotiated spending commitments with select suppliers. A secondary objective was to drive down internal costs and raise worker productivity.

To streamline transaction processing, ChevronTexaco decided to deploy a project that would enable data to pass in real time from the company's Ariba e-procurement product to the SAP and J.D. Edwards ERP applications and plant maintenance system. To integrate the Ariba product with these applications, the e-procurement solution team selected the business integration solution of TIBCO, a leading enabler of real-time business.

"We chose TIBCO because it is ChevronTexaco's corporate solution. We wanted to use the same solution so that we would have a standard middleware package," says David Crockett, manager of the e-procurement solutions team. "Transaction data – such as purchase order approvals – come from the Ariba product and into the ERP applications in real time via TIBCO. The capability of TIBCO's solution to manage that process is just what we needed, and this project has been well received by our end users."

Deployment Improves Employee Productivity and Collaboration with Suppliers

E-procurement transactions are now performed in a standardized, electronic format. Near-instantaneous routing has eliminated time-consuming manual processes, and better visibility into transactions has enabled ChevronTexaco to fulfill spending commitments with suppliers. Because managers now can view transaction information as needed, some managers can forego participation in the approval chain – and shorter approval chains speed payment processes. Since integrating e-procurement and ERP applications using TIBCO, about 30 percent of the company's invoices in North America are approved in just one day and suppliers are paid more quickly, based on their contract terms.

"The new system is enhancing collaboration between us and our suppliers," Crockett says. "We can receive transactions via EDI, as XML documents, or by inputting them manually. Once in our system, transactions cannot get lost. If we need to send a transaction back to a supplier for review, we can transmit it to their inbox in real time, and they send it back to us with comments tacked on. We have a history of every step in the process, so we always know who did what to each transaction, and when."

As a result, if there is dispute over a transaction, ChevronTexaco can resolve the dispute before invoices are paid, rather than paying them and arguing later over the differences. Now that ChevronTexaco has eliminated the need to reconstruct paper trails and search for missing documents, employees spend their time more productively. The time it takes to process purchase orders, invoices, and approvals has decreased significantly, saving the company money.

ChevronTexaco Extends Deployment to Other Major Company Locations

The TIBCO-enabled e-procurement project currently includes about 1,200 suppliers. Plans are underway to build integration links to additional company locations, such as the ChevronTexaco operating company in Nigeria and ChevronTexaco's environmental management company in the United States. The company plans to deploy TIBCO's solution at its operating company in Aberdeen, Scotland, and at its operating companies in Indonesia and the former Soviet republic of Kazakhstan. Each major site migration takes about a year from start to finish.

"Our TIBCO integration project has streamlined our e-procurement processes and made us more efficient," Crockett says. "We are meeting with other Chevro Texaco groups who want us to roll out this project in their locations, and are working hard to implement more interfaces to other SAP and J.D. Edwards ERP instances, so that we can provide the solution to additional sites as fast as possible. Our management sees that this project is delivering on the promises we made about streamlining the procurement process and making it more efficient."

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TIBCO Software Inc. (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's optimizing claims, processing trades, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage™ – the ability to capture the right information at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at www.tibco.com

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