

BG Group

BG Group selects Esker DeliveryWare to streamline its business processes for increased trading capacity



Case Study



BG GROUP

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— Nigel Fletcher,
Mobile Segment Manager, BG Group

When BG Group, a global natural gas business, sought a solution to automate confirmations of gas trading, often worth millions of euros, it selected Esker DeliveryWare.

THE COMPANY

A leading player in the global energy market, BG Group is a dynamic growing business with operations in some 20 countries employing 4,800 staff and with a turnover in 2004 of £4,082m.

Headquartered in the UK, the company has a proud history in all aspects of the energy sector, particularly natural gas, where it has experience across the entire gas chain. It operates in four key business sectors - Exploration and Production, Liquefied Natural Gas, Transmission and Distribution, and Power Generation.

THE CHALLENGE

The increased use of exchange-based trading has enabled organisations such as BG Group to take advantage of the deregulation and liberalisation of the European energy markets. BG Group's gas marketing and trading system handles typically more than 200 trades per day. The majority of these trades require a faxed confirmation to be sent to the other party to close the trade.

The whole trading process requires robust business processes and systems to be in place. Confirmations are a key control in ensuring the accuracy and completeness of the trade data recorded. When BG Group undertook a review of its existing manual fax confirmation process, it recognised the need to become automated due to the rapidly increasing volume of transactions.

The solution selected was Esker DeliveryWare, which allows reading of fax numbers from the confirmation documents generated by the trading system, enabling auto-faxing from that system. It also has the scalability to continue to meet the requirements of BG Group's growing business.

THE SOLUTION

Esker DeliveryWare provides BG Group with a single enterprise-wide fax solution, enabling it to send and receive faxes from virtually any enterprise application - in this case, its marketing and trading system. Esker DeliveryWare enables BG Group to send, receive and route high volumes of end-user and application-generated documents, including confirmations, all from a single server and without any modification to its existing applications.

BG Group previously used manual fax processes. Nigel Fletcher, BG Group's Mobile Segment Manager, explained; *"We had four fax machines in the administration area sending and receiving around 4,500 faxes a month. Each trade generates four pieces of paper, and we had the equivalent of one and a half people dedicated to the process of sending, receiving and filing faxes. With the upturn in our business this was no longer feasible, and also our old fax server was no longer supported. I came up with a shortlist of solutions that would enable automated, centralised faxing with the ability to integrate with our gas marketing and trading system."*

The other challenge was the planned implementation of a new SAP R/3 enterprise resource planning (ERP) system, so fax integration with that was critical. *"The SAP requirement came in quite late,"* explained Fletcher.

With the selection of Esker DeliveryWare made, Fletcher and his team were able to set it up quickly, do some testing with its Microsoft Exchange servers, then hook it up to the gas marketing and trading system. *"Implementation went very smoothly,"* said Fletcher. *"We have two ISDN lines,*



"In the end the selection of Esker DeliveryWare was an easy choice as it was available as a packaged service for SAP, which meant it was ready to plug into our environment."

— Nigel Fletcher, Mobile Segment Manager, BG Group

and 60 channels, and we've not seen any bottlenecks. Within Exchange we have been able to set up a mailbox for each of the trading groups, so that all of the faxes received come in to those mailing groups automatically and are then channelled out via workflow to be processed and filed within our environment."

THE PROCESS

When a trade is executed to buy or sell gas, the trading system is updated with the new trade. The seller sends a fax confirmation for each new trade covering the terms of that transaction and the buyer validates signs and returns. The trading system is then updated to show that the trade has a matched confirmation. *"With Esker DeliveryWare, we not only automate the whole process, but also have an audit trail through the confirmations process. Before it was just checking fax slips."* said Fletcher.

Trades normally take place between 8.30am and 6pm. BG Group receives faxes during these times, as well as out of hours, and can easily re-direct them to the on-call trader's personal email at the end of the business day.

THE FUTURE

Other parts of BG Group's business are now adopting Esker's solution. *"Our treasury department is using it, for example, to transfer funds around the world - a function which is done via faxes,"* added Fletcher. *"For example, transfers between international accounts will be initiated through Esker DeliveryWare and the sender will automatically get confirmation of receipt back into an Exchange mailbox."*

In addition, Esker Fax could be used to produce trading bulletins.

One of the next phases BG Group is embarking upon is OCR (optical character recognition), which will involve scanning and automatically exporting information from a trade into a spreadsheet for recording into the main trading system. *"With manual confirmation there is always the possibility of human error or mismatch so we want to try to eliminate that using automation. That will speed things up, and improve efficiency."* said Fletcher.

The company's worldwide data centres are considering adopting Esker DeliveryWare to improve the efficiency and reduce the cost of international trading.

THE BENEFITS

Fletcher is clear about the benefits of using Esker DeliveryWare: *"Our business processes have become more streamlined. With the new system our trading volumes have increased and we are easily handling the additional volume the Esker solution has paid for itself in less than a year based on staff savings alone and our cost per trade is also reducing."*

Fletcher concluded; *"We have had a very good experience with Esker. The company is proactive and understands what we are trying to do and has helped us move forward. Esker DeliveryWare is now a business critical solution for us."*

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