



E-WORKFLOW: QUICKER THAN PAPER

SIBUR continues transferring its Customer-related operations to electronic workflow.

Mass market is increasingly becoming a place where consumers have the final say: batches of standardised products are giving way to a diversified offering and customisation to meet the buyers' individual needs. Companies stop making bulk purchases, seeking to avoid additional storage costs. These changes are the main driver behind the increase in the number of shipments involving smaller volumes.

SALES AUTOMATION COMES IN HANDY AS AN EFFICIENT TOOL TO SECURE AN ADDITIONAL COMPETITIVE ADVANTAGE.

To compete for the customers, businesses have to reduce prices by cutting costs. Sales automation comes in handy as an efficient tool to secure an additional competitive advantage. Digitisation of the existing processes can help streamline communication with consumers, optimise headcount and reduce the risk of human error.

SIBUR is closely following the emerging trends and strives to keep up with them by investing in the development of proprietary tools and technologies, namely e-commerce (electronic commerce) and e-workflow (electronic workflow). E-commerce is a promising area which helps boost sales efficiency and make pricing more transparent. In addition, it enables companies to analyse customer preferences to improve data management and streamline decision making. Implementation of this system can speed up registration of new customers, give tools to monitor all stages of order processing and simplify communication with the company. In early 2018, SIBUR re-launched its e-commerce platform and is planning to expand it going forward.



E-workflow was introduced in Russia as early as in 2002 when the government passed the Law on Electronic Signature.

Since 2017, SIBUR has also been actively implementing the e-workflow technology viewing it as a high priority process for both the Company and its Customers. E-workflow offers numerous benefits that include accelerating document exchange, ensuring time, money and resource savings and eliminating the risk of document loss. According to SKB Kontur, approximately one million companies in Russia use e-workflow today, with the number of electronic documents doubling each year. In 2017, for instance, companies sent some 150.8 m legally valid electronic documents via Diadoc, an electronic document interchange system developed by SKB Kontur.

52%

of SIBUR's sales documents was sent via e-workflow in September 2018

In May 2018, SIBUR launched a solution designed for electronic source documents. This solution allows for integration between the Company's accounting systems and those of the e-workflow operators. SIBUR has already reached agreements with Russia's three largest operators (out of some 50 operators working in Russia) to ensure a smooth transition of its Customers to e-workflow. Today, the Company has connected over 400 SIBUR's Customers to the system and sent over 20,000 source accounting documents. A solution for electronic signature of contracts was launched in August, with over 50% of additional contracts for November set to be signed electronically.

In September, as many as 52% of sales documents were sent to our counterparties electronically, and 70% of SIBUR's Customers expressed their willingness to switch to e-workflow.

The Company's employees are certain that this decision will boost process efficiency both for SIBUR and its Customers. Among the benefits of migrating to e-workflow is a faster document turnaround. What once took weeks or even months can now be done in days. Original documents are delivered to the Customer the very next day after shipping and, when signed, are back to SIBUR in two days. Moreover, the system eliminates the risk of document loss. Statistically, around 5% of source documents failed to return in 2017 for

various reasons, which required extra efforts to trace and resend them both from SIBUR and its Customers. With e-workflow, the current document status can be viewed online, which helps to keep track of all iterations and significantly improve the culture of document signing.

Other important benefits of transition from paper to electronic workflow are lower postal costs and paper archive management costs. Going paperless is a global trend. Many experts believe some documents will be converted to electronic form in a few years. For example, the Russian Ministry of Labour and Social Protection is planning to amend the legislation to introduce electronic employment record books. Companies may therefore face the need to develop e-workflow within their HR functions soon.



According to SKB Kontur, e-workflow is now used by approximately one million organisations. And going paperless is a global trend.

How to join e-workflow?

If the Customer has already entered into a contract with an e-workflow operator and is prepared to receive contracts and source documents for SIBUR products electronically, all is needed is to provide the details of the operator to the dedicated manager.

20,000

source accounting documents have been sent by SIBUR through electronic channels.

If the Customer has not entered into a contract with an operator, the Customer should follow the link (<https://www.diadoc.ru/lp-sibur>) to file an application, and the dedicated manager will take the Customer through the process of connecting to one of major operators step by step.

In order to be able to receive and sign electronic documents, the Customer needs to have a qualified electronic signature certificate. The associated costs are reasonable and are usually in the range of 2,000 to 3,000 roubles per year. Companies filing reports to tax authorities electronically already have such a certificate. Receiving and signing incoming documents are free of charge. Later,

automation can be further upgraded, if needed (for instance, automatically uploading documents to the accounting system, creating an electronic archive), which may require extra spending. In this case, Customers should evaluate their needs and potential return on investment.

Generally, electronic workflow gives SIBUR and its Customers a major competitive edge and an opportunity to optimise their internal processes and interactions.