

Brochure

LTIMindtree's Comprehensive Joint Venture Management Solution for the Oil and Gas Upstream Industry

Introduction

In the oil and gas industry, Joint Venture Management, a complete and integrated solution enables advanced management of multiple joint ventures. They provide benefits to organizations by enabling them to collaborate effectively. JVs offer significant benefits for oil and gas upstream companies, given the industry's unique investment requirements and scale, and allow organizations to collaborate, innovate, and mitigate risks.

Given that Joint Venture management can be difficult at times, there is a need for a comprehensive solution that handles all aspects of the process. With the JDE E1 JVM module, all aspects and phases of Joint Venture Management in the industry can be effectively handled.



High-Level Flow:



The E1 JVM process facilitates the accurate management of direct costs, expenses, and overheads, ensuring transparency in joint venture financials. This can be achieved through two approaches:

Overhead: A portion of indirect costs, such as utilities, rent, and accountant salaries, is allocated as an overhead.

Allocation: Full bills are allocated to multiple projects within a joint venture, distributing costs accordingly.

Business Problem

The lack of integrated solutions for Joint Venture Management in various industries presents several challenges, including complex calculations for different types of partner contributions in agreements. Organizations face difficulty in tracking joint venture partner-level reports for audits and other reporting requirements.

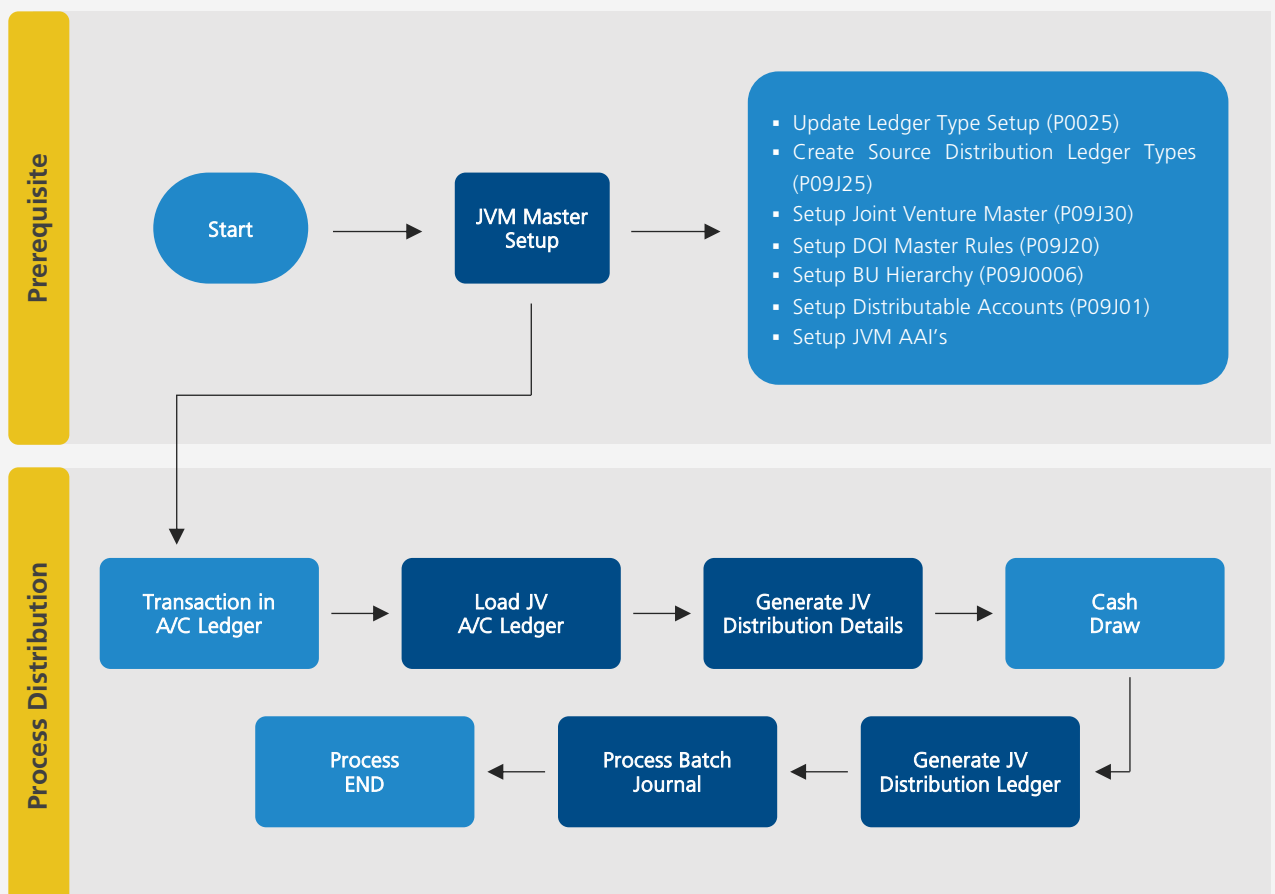
There is a lot of manual effort required for transaction management like identifying joint venture transactions, calculating overhead costs, and managing partner contributions - thus increasing the chances of entry-level discrepancies and human errors. Another challenge is difficulties in the redistribution of the expenses from the managing partner to other partners.

LTIMindtree Solution

LTIMindtree’s end-to-end JDE JVM solution records expenses, revenue, and cash flow related to direct and indirect costs such as utility bills, payroll, and rent. It enables the managing partner to manage process allocations and overheads for the received revenue on a monthly basis. The solution also distributes expenses, overheads, and revenues to external partners based on JDE rules and configurations. Additionally, it helps process invoices, vouchers, and journal entries to distribute transactions by creating business unit-specific journal entries.

At the same time, the solution manages invoicing partners for expenses and overheads, including cases for cash call drawings. It processes payments to each partner by creating vouchers in JDE and conducting JVM financial reporting using the JDE Reporting tool for revenue purposes.

The first-tier cutback verification helps in validating partner distribution balance between JVM and GL for different distribution ledgers. The solution also provides a Cash Statement Summary, which provides a snapshot of cash call positions (opening balance, current month expenditure, net balance) by the partner. An additional feature includes the JV Expenditure Statement that offers transaction details from the 1A ledger for a given period by the partner. Also, the JV Trial Balance provides a detailed balance analysis by distribution ledgers, based on JVM and GL balance data.





Why LTIMindtree

LTIMINDTREE enhances the business value in JVM by incorporating advanced solutions, including Oracle Standards. Here are some of the key features:

- **Verification of 1st Tier cutback:** This report ensures the partner's distribution balance between JVM and GL is validated for various distribution ledgers.
- **Cash Statement Summary:** This report offers a snapshot of the cash call position, including the opening balance, current month expenditure, and net balance, specifically for each partner.
- **Expenditure Statement by Partner:** This feature provides transaction details from the 1A ledger for a specified period, organized by partner.
- **JV Trial Balance:** Based on JVM and GL balance data, this report presents a comprehensive analysis of the balance across different distribution ledgers.

LTIMindtree embraces the limitless possibilities of technology with a range of comprehensive IT services and solutions, that help empower your business to thrive in this digital age.

For more information, write to us at oraclemarketing@ltimindtree.com.

About LTIMindtree

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 84,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree — a Larsen & Toubro Group company — combines the industry-acclaimed strengths of erstwhile Larsen and Toubro Infotech and Mindtree in solving the most complex business challenges and delivering transformation at scale. For more information, please visit: www.ltimindtree.com