Boosting Your Bottom Line with the Right Automation
INTRODUCTION

Dealing with operational logistics can be a nightmare for companies still using manual processes. In an environment of low prices especially, companies are inclined to cut back on production, re-evaluate supplier rates, and delay or defer projects. These cost-cutting measures save money in the short term but also slow growth and revenue. Operational performance suffers from mismanaged supplier relationships, lack of visibility into asset and project performance, and inefficient cost management.

Instead of cutting back, increasing financial accountability can reduce costs by as much as 20% without cutting essential programs or personnel. Operational efficiency should include an automated procure to pay workflow to help ensure processes run smoothly while overall costs are minimized. Top performing companies are leveraging technology to effectively communicate, streamline activities, and deliver information for analytical decisions in the field and in the office.

The technology investment, for some, can be quite hefty. To ensure you’re taking full advantage of your investment, ask:

• Does your automation solution meet your business needs?
• Are your suppliers using your automation solution?
• Are you getting the information you need to do business better?

This report will help companies investigate which automation solutions are right for them.
MEETING YOUR INDUSTRY’S NEEDS

THE PROBLEM WITH GENERIC PROCURE TO PAY SOLUTIONS
For many industries, the procure to pay process is relatively similar. It mainly involves managing procurement, purchasing contracts, purchase orders, and invoices. What changes from industry to industry, however, is the level and appropriateness of automation.

Some industries, such as the oil and gas sector, have very complex operational processes that require specific automation. Examples of unique industry needs include meeting special regulatory requirements, achieving standardization in business processes, operating several decentralized locations, and performing within a complex workflow. A one-size-fits-all solution does not maximize efficiencies for companies that have diverse and nuanced requirements.
WHY A SPECIALIZED SOLUTION IS BETTER

A specialized solution will respond to industry needs. For instance, PIDX is a widely used standard within the oil and gas industry. Companies look for automation solutions that are compliant with PIDX standards and are highly experienced in the oil and gas business.

Special regulations can be met more easily with automated validation and compliance checks. As well, an appropriate automated workflow will lower overall operational costs.

- Lack of contract compliance has resulted in, on average, $4.6 million in contract leakage per billion in spend. By standardizing, automating, and linking sourcing and contracting, best-in-class companies report 35% greater on-contract spend and 15% more transactions that are compliant with contracts.  

- With straight-through invoice processing, staff can process more invoices in a shorter amount of time.

- Electronic purchase orders save up to 31% of the average cost of manually produced purchase orders.

OILDEX CLIENTS
CONNECT ONCE AND ACCESS ALL

The Oildex platform includes OpenInvoice, JIB Connect, Run Ticket Connect, Gas Plant Data Exchange, and other data exchange solutions. The solutions follow a number of industry standards including GRADE, CODE, CDEX, and PIDX.

Complex operational processing across decentralized locations can be easily managed with anytime-anywhere access and visibility into project level information.

Automation should help your business operate more efficiently as a whole by connecting all your financial pieces. This may include digital procurement systems, field documentation, joint interest billing, and payments.
PROVIDING A WIN-WIN

THE NETWORK EFFECT
Automation is a win-win for you and your suppliers. Along with the ability to respond to your industry’s needs, the right automation solution will provide opportunities for everyone to grow in value and profit. According to the network effect, a service or product becomes more valuable as more people use it, thereby, fostering natural growth and value of the network. B2B networks have much the same result.

An automated workflow will decrease the time it takes to approve and pay invoices. Logically, accurate and quick payments will result in stronger relationships with your suppliers. With strong relationships, your company can also take greater advantage of negotiating and capturing early payment discounts.
HOW YOUR SOLUTION OF CHOICE ENSURES GREATER SUPPLIER ENGAGEMENT

Solutions with an existing network of suppliers can save you time and money when syncing your digital efforts. With suppliers already on board, electronic business transactions can be initiated almost immediately with no training or setup required.

Also consider selecting a solution that provides various options for electronic engagement. Research shows that an effective workflow system allowing a variety of invoice submission methods.iv

With a network of over 55,000 suppliers, Oildex has a lot of experience working with suppliers. A dedicated team provides all types of suppliers with training, one-on-one communication, and continual support.

OpenInvoice accommodates several different invoice submission methods including supplier portal entry, electronic submission, and scanning and indexing.
BETTER DECISION MAKING WITH INCREASED VISIBILITY

Staying competitive means your executives need accurate information as soon as possible, value-added supplier relationships, and opportunities to optimize working capital. Meanwhile, managers and finance professionals are tasked with lowering costs, increasing cycle times, increasing productivity, and effectively delegating available resources.

The move towards greater organizational efficiency requires teams to collaborate more, share resources, and align their goals. Various areas within a company can benefit from implementing a solution that improves visibility and accuracy of data. By providing real-time transparency across departments like treasury and procurement, companies can better plan for things like working capital optimization and supplier management. Finance executives and operational managers will be equipped with the information necessary to help improve overall cash flow and management.

Greater visibility doesn’t just include internal efficiencies. Better supplier collaboration and communication throughout the entire procure to pay process allows for greater understanding of your supply chain relationships.

“HAVING MUCH TIGHTER RELATIONSHIPS WITH YOUR STRATEGIC SUPPLIERS ULTIMATELY POSITIONS THE ORGANIZATION TO BECOME MUCH MORE AGILE AND MUCH MORE COMPETITIVE.”

ANDREW BARTOLINI
ARDENT PARTNERS’ CHIEF RESEARCHER
READY FOR A BOOST?

Maximizing the value of your current technology requires you to look at the larger picture—one that involves creating efficiencies for all areas of your company, like treasury and procurement, as well as your suppliers. More accuracy and intelligence around liabilities can help treasury implement better cash management strategies and optimize working capital. Procurement can benefit from access to data to better understand company-wide spend and enforce compliance to negotiated contracts.

Auditors, too, are becoming advocates of automation. With centralized document management, they have a complete picture of all documents, records, and transactions that can be quickly accessed, all from one place.

Collaboration is achieved by linking all the processes and systems used by your stakeholders. A well-managed, tightly linked business process includes the ability to improve contract compliance, strengthen supplier relationships, and optimize working capital through a streamlined workflow and high rate of discount capture. Automating your entire procure to pay workflow will allow your company to better achieve business objectives.
ABOUT OPENINVOICE

OpenInvoice transforms the way organizations manage their financial operations. With a range of invoice and payment automation solutions, OpenInvoice enables organizations to streamline and optimize their processes and achieve their strategic objectives around cost reduction, improved control, and working capital optimization.

ABOUT OILDEX

Oildex understands the roles of operators, suppliers, bank and royalty trusts, owners, and joint interest partners. With Oildex’s customized solutions, everyone benefits—from improved cash management to stronger relationships with owners and partners.

As a cloud-based system, Oildex’s intuitive software solutions integrate easily with the back office needs of many different organizations. We help to improve the breadth and depth of data for end usability that results in quicker decision-making and greater visibility to everyone affected by company operations.

Oildex provides supply chain automation solutions including digital and scanned invoice processing (OpenInvoice™), owner relations web portals, royalty check stub detail and reporting (CDEX), joint interest bill processing (JIB), crude oil data exchange (CODE), gas plant document exchange, and much more. Oildex is a privately held company backed by Accel-KKR and is headquartered in Denver, Colorado with offices in Houston, TX and Calgary, Canada.

REFERENCES

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vBartolini, A., “Is 2016 the year that accounts payable becomes strategic?”, January 2016

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