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CRESCENT POINT REALIZES IMMEDIATE COST SAVINGS AND PROCESS IMPROVEMENT WITH FIELD TICKET AUTOMATION

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03.18

KEY CHALLENGES

Crescent Point was seeking to efficiently control costs through detailed field ticket data. The existing, paper-based ticket process was costly to manage and resulted in long invoice cycle times, masked billing issues, and an increased risk of duplicate or fraudulent billing from the same ticket being billed twice.

INSPIRATION FOR CHANGE: SAVINGS IN COST AND TIME

The company performed a detailed analysis of their processes that included over 420 field operations supervisors, drilling consultants, and completions consultants, and was able to quantify some of the administrative burdens from field ticket entry and management.

Manually keying ticket data into their reporting system was costing Crescent Point approximately $1 million in labor per year and approximately $1 million in overcharges related to duplicate billing, part of which was directly associated with duplicate tickets.

As an Oildex **OpenInvoice**® customer, Crescent Point had experienced the increased efficiencies and cost savings realized through invoice automation. That led them to explore the **Field Ticket** module, an automated solution to decrease the costs involved with manual data entry of paper field tickets.

Crescent Point Energy, based in Calgary, Alberta, is one of Canada's largest light and medium oil producers and is focused on growing their significant resource base in the Williston Basin in southwest Saskatchewan and the Uinta Basin in Utah.

They strive to maximize shareholder returns through their total return strategy of long-term growth plus dividend income. The company has a strategic, focused initiative to be a data-driven company and to leverage data to improve processes throughout their operations.

"If you want to compete in this industry, you can't be thinking the same as usual. Everybody's looking for an edge."

- James Zimon
Supervisor, eInvoicing & Accounts Payable

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MEASURING SUCCESS

Using the built-in integration between **Field Ticket** and **OpenInvoice**, all field ticket data automatically reconciles to any associated invoices. Data entry, invoice submission, coding, and approval processes are streamlined and improved, providing immediate compliance feedback and allowing issue resolution early in the process. For Crescent Point, it all adds up to significant savings in costs and time.

- **$2 million in projected cost savings** once **Field Ticket** is fully implemented and integration to cost capture tools is complete

- **Invoice turnaround time reduced by 8 days**, making it easier to capture existing early pay discounts

- Significantly improved data quality

- Field personnel had more time to focus on operational tasks

"With Field Ticket we can rely on the data coming in by one electronic source – no more keying in a second source, so entry error goes away. And that labor cost goes away. And then we're measuring that against the invoice, and from there against the actuals, creating a holistic 'from start to finish' report. Ticket data can become more of a source of truth rather than being an estimate," says Zimon of Crescent Point.

IMPLEMENTATION

Crescent Point assigned a task team to roll out the new technology with key suppliers in the South Saskatchewan operations area. The suppliers were contacted via email and offered an incentive of a reduction of 15 days on payment terms for supported invoices submitted through **Field Ticket** for the first six months.

Crescent Point partnered with Oildex to provide an information kickoff session with the supplier community where suppliers were given instructions on how to use the system and provided with links to training websites. Members of the task team also trained local field supervisors in one-on-one sessions and a task team member was designated to be the liaison with internal users.

OILDEX SOLUTIONS

- **Field Ticket**
  to capture detailed field ticket data and manage approvals, with a data feed to in-house reporting and analytics tools to provide near real-time cost visibility

- **OpenInvoice**
  for invoice automation, compliance first workflow, and spend management tools

THE RESULTS

Reporting and Analytics

Field Ticket connects to Crescent Point's reporting system to provide hourly access to field ticket data. Having near real-time data helps Operations and Engineering track costs much faster and more accurately than using paper tickets. For example, automatically linking field ticket data to an associated AFE (Authorization For Expense) code provides visibility into cost tracking, allowing Crescent Point to manage projects more efficiently. According to Zimon, "Now when I get asked for metrics, I just click a button, run a report, and it's done. I don't have to spend a lot of time compiling information and restarting from scratch every time. You can automate it to where you can load it on demand and get all the metrics you need so you can answer questions in advance."

Easy Monitoring of Ticket Lifecycle

Crescent Point uses the data submitted through **Field Ticket** to analyze process efficiencies across the entire transaction cycle. They can easily monitor unapproved tickets and ensure prompt approval. Easy access to data and extensive reporting provide a means to measure KPIs such as time between work performed (service date) and ticket submission and the time between ticket submission and approval. By drilling into the results both at the supplier and field approver level, they can identify and address any longer than normal cycle times. "When tickets were in paper format," says Lisa Howland, Manager, Operations Accounting, "we never knew where things were. Now we track all that electronically. We're saving time, and we're better able to benchmark and track, and have different KPIs to assess where our bottlenecks are."

Improving Organization Processes

Crescent Point's supply chain team can identify field supervisors that are procuring services or materials that aren't covered by a contract with the chosen supplier, and that provides the necessary information to evaluate contract compliance (by both the field supervisor and the supplier) and determine priorities for future contract negotiations.

DIGITALIZATION
Field Ticket data in near real time

AUTOMATION
Ticket data linked directly to AFEs

TRANSFORMATION
Measurement and improvement on KPIs

Invoice Process Improvements and Risk Reduction
In addition to cutting the invoice cycle through the reduction in hands-on-keyboard time, the automated coding, compliance, and reconciliation of an invoice to its associated tickets reduces the risk of duplicate billing because OpenInvoice automatically identifies and flags an invoice that includes a previously invoiced ticket. "With duplicate billing, it's really hard to find with paper. An electronic ticket can't be billed twice," says Zimon.

Supplier Adoption and Feedback
As of early 2018, over 220 Crescent Point suppliers had submitted over 75,000 electronic field tickets through the system, with many submitting multiple tickets per day.

The response from suppliers has been very positive. With a successful initial rollout and good ongoing adoption, suppliers have embraced **Field Ticket** because of its obvious benefits to them — its ease of use, the reduced invoice cycle time, and the visibility it provides in the payment process. As Zimon pointed out, "Nothing's really changed for [suppliers] for data entry, so the wins are that they don't have to do any more work than previously but now they have more visibility into their tickets. We found that many were waiting for us to go electronic so they could stop with the paper processes."

CONCLUSION
Paper-based field tickets were an obstacle to Crescent Point Energy's goal of becoming a more efficient, data-driven business. Using **Field Ticket** to automate the paper-based field ticketing process and connect the field to the office provided significant time savings, cost savings, more accurate billing, a faster invoice turnaround and improved spend visibility at the field level.

> *"Field Ticket is integral in getting more granularity in the data, having that detail and transparency from the vendor and our field staff. It allows us to better assess where problems are."*
>
> *- Lisa Howland*
> *Manager, Operations Accounting*

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