IMPROVE FIELD OPERATIONS COST MANAGEMENT

Anadarko Reduces Invoice Approval Time and Gains
Visibility into Operations with Digital Field Tickets

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Success at a Glance

Challenges

- A rise in production costs demand better cost management

- Payment delays and inaccurate cost reporting from using paper field tickets

Solution

- The Drillinginfo Financial Automation with user-friendly digital field ticketing capabilities

Results

- 50% reduction of ticket approval time leads to faster supplier payments

- Up to 80% reduction in accrual error estimates

- Dramatic improvement in financial reporting accuracy

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Customer Challenge

Shale drilling, completions, and production operations are becoming more complex, changing the scope and nature of operations. In addition, as these processes become more efficient, service intensity increases. Wells that once took 30 days to drill and complete are now finished in 20 days.

As the pace of operations increase, so does the overhead related to running an efficient oil and gas company. Anadarko, an American petroleum and natural gas exploration and production company, looked to improve their field ticketing process to gain a better view on spend and operations.

Anadarko's process used paper field tickets which caused payment delays due to tickets being lost. The delays also made it difficult to keep track of actual monthly spend in the field and report on costs, creating a large accrual variance. To ensure vendors got paid on time and their budget was correct, the company recognized the need to implement an electronic ticketing system.

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Customer Solution

Anadarko had two goals for a digital field ticketing system—it needed to work and be user friendly, so field workers could easily submit tickets. The Drillinginfo Financial Automation solution provided value quickly and enhanced the relationship between Anadarko and its suppliers. Anadarko was already using the solution's invoicing capability for invoice approval and processing. Introducing digital field tickets would further streamline workflow, help integrate operations data with payment data, and provide near real-time visibility into spend.

> **"** *We'd been doing paper copy forever. We needed something that was going to be quicker turnaround for us and our vendors. If vendors get paid on time, our budget is correct."*
>
> *-Karla Ennis, Field Business Process Manager, Anadarko*

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The Results

Digital field ticketing immediately shortened the coding and approval process, saving Anadarko time and money. The company can set approval authority limits and specific conditions for their coders. For example, if the ticket is within a set limit and has been signed by someone in the field that watched the work happen, the coder can quickly approve it. Giving approvers the ability to process tickets that have already been digitally signed off by a field worker cuts the cycle time down by 50%.

In addition, Anadarko also recently implemented a feature that allows the system to approve the invoice on behalf of the field approver, based on set criteria, which cuts the invoice approval time even more. Automation of approvals and approval controls combined with having all the data in one place in near real-time makes the entire process much more streamlined.

Given the fast-paced, high-volume nature of their West Texas operations, Anadarko had difficulty providing accurate operations cost accrual information to their finance group. Field estimates were challenged by late invoices, lost or misplaced field tickets, and a lack of process related to the estimation process. Digital field tickets drastically reduced the errors in accrual estimation by up to 80% for Anadarko's suppliers using the solution.

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Conclusion

Within months of the digital field ticket rollout, Anadarko had 76 suppliers using the solution with 70,000+ field tickets processed. The result was a dramatic increase in reporting accuracy, a decrease in field ticketing issues, and a significant reduction in time of the invoice approval and payment process.

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