

Citation Oil & Gas Corp. Case Study



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Industry:

Oil & Gas, Energy

Applications:

- Workflow – Accounts Payable Processing
- Imaging – Capital, Operating & G&A Invoices

Customer

Citation Oil & Gas Corp.
8223 Willow Place South
Houston, TX 77070-5623

Accounting Platform:

Paradigm Technologies –
Excalibur™

Business Issues:

- Tracking and forecasting cash flow
- Knowledge and control over 5000 – 6000 monthly invoices
- Distribution and decentralization of work and responsibility to Area offices
- Reduce handling and copies of paper invoices
- Improve service to working interest partners and vendors

Enterprise Solution:

Fully integrated imaging, document management and workflow solution with Powervision's PowerView™ and PowerRoute™.

Results:

- Access to up-to-the minute cash flow reporting
- Over 35% reduction in head office A/P staff
- Decreased A/P cycle time allowing Citation to take advantage of large invoice discounts
- Faster cycle times for Joint-Interest- Billings
- Increased accounting staff job satisfaction

Background

Search and recovery missions to find misplaced, overdue and lost invoices from frustrated vendors and suppliers. Struggling to get overdue invoice approvals from engineers and operations employees. These issues are common to mid-size independent oil & gas companies in the US but as Citation Oil & Gas Corp. discovered, there is a solution that delivers measurable results.

Citation is headquartered in Houston and has 3 Area offices in Gillette, Wyoming; Midland, Texas; and Oklahoma City, Oklahoma. With 5000-6000 invoices per month during peak periods, Citation routes hundreds of invoices around its operating enterprise daily. This volume of invoices and the geographic distribution of offices, reviewers and approvers, was removing any sense of control accounting had over their A/P process, and frustrating their need for effective cash flow management. "We were experiencing a 60 day cycle time in our A/P process from the time an invoice was forwarded to an Area office until we would see it for final processing. We needed to reduce this cycle time to allow Citation to be more responsive to changes in the market place", explains Curtis Carver, Citation's Controller.

Needing to increase productivity, reduce costs and regain control over the A/P process, Carver and Mark Anchondo, VP Information Systems undertook to find an imaging and document management solution. Citation looked at a number of vendors, doing an extensive evaluation of each vendor's industry knowledge,

product maturity, costs and adaptability to Citation's culture. Citation then had vendors conduct detailed product demonstrations with members of Citation's A/P and IT groups to ensure that no questions were left unasked. "In the end, Powervision's PowerView™ and PowerRoute™ products far outshone anything else that we looked at", says Nancy Gloege, Accounts Payable Supervisor.

Implementation

Citation's core implementation team faced a number of challenges including the reluctance of field staff to adopt new technology, receptiveness of remote staff to higher workloads, staff training and support and upgrading older technology. A staged rollout schedule and training plan for all of its offices and staff was therefore implemented to address the challenges. The first stage of the plan was Head Office roll out for Accounts Payable. Once tested and refined, the next stages of field deployment began.

Citation had 3 separate field locations with clerks requiring training and the core team knew that all training would need to be "hands on" to deal with people's anxieties regarding a new system and changes. They implemented a process where senior A/P and IT staff were sent into each office for 4 days. Within 6 weeks, all Area offices were online, scanning and routing all of their invoices.



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Results

Today Citation is scanning all forms of capital, operating and G&A invoices across their enterprise and seeing measurable results from their efforts. As Carver describes, “The PowerView / PowerRoute system has exceeded our expectations. The system was easy to implement and the productivity increases and cost reductions have been easily identifiable for us.”

Increased Productivity & Reduced Costs

Citation has reduced its head office Accounting staff from 8 to 5, moving these people into other positions within the company. Staff no longer have to venture down to the “dungeon” (the accounting file room), and strongly prefer online PowerView documents to ‘actual’ files!

Improved Cash Flow Management

With PowerRoute, Citation is now able to run reports to determine how much cash is tied up in its A/P process, before invoices are entered into the accounting system.

Audit

The benefits for internal and external audit purposes is best explained by Gloege, “Let me tell you, it’s real nice being able to push that button and have that invoice appear when the auditor comes knocking!”

Ease of Adoption

With PowerView’s short learning curve, almost 100 (of Citation’s 300) employees are now using the system, and other departments are taking notice and inquiring into when the system will be available for their use.

The accounting group description of how they feel about the new system: “Love it!” They’re looking at all of their documentation and wanting it on the PowerView system. And the Area office staff are much happier having immediate access to information and the ability to compare their lease operating costs against invoices.

Next Steps

Citation is analyzing the rollout of new applications under the PowerView / PowerRoute system. The next applications for imaging are planned to be AFEs, well files, contracts and legal documents. As for workflow, Citation is considering streamlining their Area staff’s field time sheets so they can save additional time, resources and money.

About Citation Oil & Gas Corp.

Citation Oil & Gas Corp. (“COGC”) is an oil and gas acquisition, development and production company. Through a limited liability company and a limited partnership, COGC owns a general partnership interest in and is the operator for five investment limited partnerships. The partnerships’ oil and gas assets are comprised of 6,700 wells in over 352 separately designated fields, concentrated in the Permian Basin, Rocky Mountain and Mid-Continent regions.

COGC and the partnerships are privately held and are headquartered in Houston, Texas, with production offices located in Midland, Texas, Gillette, Wyoming and Oklahoma City, Oklahoma. From these locations COGC conducts operations in North Dakota, South Dakota, Montana, Wyoming, New Mexico, Kansas, Nebraska, Oklahoma, Utah, Illinois and Texas.

About Powervision

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Powervision Software Inc. is a leader in the development and provisioning of enterprise-class Electronic Document Management (EDM) solutions for the oil & gas industry. Our PowerView™ and PowerRoute™ solutions include robust imaging (PowerView EIM), reporting (PowerView ERM – COLD) and workflow (PowerRoute) products that integrate seamlessly to provide a powerful platform for oil & gas companies to capture, organize, index, store, secure, access and transfer vital corporate documents.



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