

# Transforming Procurement in the Oil and Gas Industry

## Client Profile

An independent Texas-based oil company, with multiple offices, drilling sites, and oil properties throughout the U.S. and a subsidiary in Canada.

## Business Challenge

Management mandated a procurement solution that would control and track spend. The challenge was to convert a completely manual procurement process to a smoothly running automated procurement function with as little disruption as possible.

## Value Achieved

Structure and visibility in the procurement function; improved management and compliance for complex contracts; the ability to track spending history and effectively budget

## Client Profile

An independent oil and gas company, with a focus on unconventional reservoirs, BravoSolution's client attains its product through a combination of development drilling, exploitation of resources and property acquisitions. Headquartered in Texas, the company has multiple offices throughout the U.S. as well as a Canadian subsidiary.

## The Challenges

Industry-recognized expertise in unconventional gas reservoirs made the client a leader in the development and production of natural gas, natural gas liquids and crude oil. But management realized that in the highly competitive oil business, efficient and effective spend management was not only essential, but also a tool that could be used to gain a competitive edge. The challenge was to convert a completely manual procurement process to a smoothly running automated procurement function with as little disruption as possible.

## The Solution

With procurement operations located in Texas and Calgary, Canada, the client recognized that it needed an e-procurement solution that was versatile, easy-to-use and implement, and most importantly accessible from virtually anywhere. The company required a solution that could handle complex construction, acquisition and drilling contracts. Previous experience with the BravoSolution products by the current Director of Supply Management indicated that BravoSolution could be a reliable and effective solution. But all options were researched, and only after an extensive search was BravoAdvantage Procure-to-Pay selected because of its design, hosted ability, ease-of-use, implementation procedures, and the procurement expertise the company provided.

## Strategy

The procurement department aimed to implement an automated procurement system that would give the department much needed internal controls on spending while reducing procurement operating costs. To achieve that goal, BravoSolution concentrated on three key areas: customization of the e-procurement solution to the business rules and controls of the organization, installation and implementation of the automated system with little disruption and in a timely manner, and training for all personnel using the system.

BravoSolution worked with procurement management team to gain in-depth knowledge of procedures, suppliers, contract types, and time constraints. By focusing on the client's goals, BravoSolution was able to customize the eProcurement solution to maximize the benefits for the organization. Making the system work for both the US and Canada was of importance.

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Company management and BravoSolution worked together to effectively enable B2B e-commerce with their suppliers. By collecting, managing and regularly updating supplier information, the client gained cross functional coordination of supplier activities across the two procurement departments (US and Canada), as well as greater visibility, improved quality of supplier information, increased negotiating leverage with suppliers, and overall improved supplier relationships.

BravoAdvantage Procure-to-Pay captures supplier data and provides supplier networks and portals, as well as the self-service entry tools needed to ensure correct and up-to-date information. The solution also enables the management of complex contracts and helps to ensure corporate mandates and federal compliance issues.

Installation and implementation began the second phase, with BravoSolution personnel on-site to ensure a smooth and trouble-free transition. Implementation continues as more users gain access, and as the system expands to additional sites. The BravoSolution help desk service proved invaluable as questions and additional customizations were realized along the way. Personalized services by BravoSolution enabled the client to install and implement in a timely and cost-effective way. Also, to ensure the most efficient use of the new automated system, BravoSolution conducted training for personnel both on-site and online with training webinars. Training continues as needed, for users and buyers through online webinars.

## Value Achieved and Future Outlook

The biggest savings the client has realized is the ability to do a lot more with less paper work, time, personnel and headaches. Spend visibility and management, along with better managed and ensured compliance to complex contracts has given the client the ability to better track their spending history and more effectively plan their future purchases. Management has benefited with a clear approval process and the assurance that it is being followed. Valuable time is saved with up-front approvals. From a technical perspective, the system has proved to be worry-free.

The client's purchasing managers have recognized opportunities in all areas of the organization to implement system. Plans include rolling out and fully implementing

BravoAdvantage Procure-to-Pay for requisitioners and users in all offices. With the accessibility of the hosted solution and easy-to-use interface, this will probably happen in the very near future. Also anticipated is an interface with their current accounting system to efficiently manage invoice receipt matching and reconciliation, review and approval, and payment disbursements.

Overall, the ability to do more with less has greatly improved the efficiency of the procurement department increasing the amount of spend under management, which ultimately effects the bottom-line of the organization.

## About BravoSolution

- **Leverage Proven Global Results** – 100,000 purchasing executives across 70 countries and 700,000 suppliers globally rely on BravoSolution products and services.
- **BravoAdvantage** – BravoAdvantage is the strategic procurement platform that enables organizations to generate more value, influence innovation and reduce risk. Powered by a unique supplier-focused approach that integrates supplier lifetime value throughout the entire procurement process, BravoAdvantage provides the visibility, insight and transparency required to power and improve every procurement initiative and decision.
- **Engage the Experienced Team** – The BravoSolution customer commitment is to provide exceptional people and smart, proven, cutting-edge processes to ensure customer success. BravoAdvantage is powered by an experienced team of global procurement professionals, equipped to help with organizational transformation and management, implementation, adoption, support, and procurement strategy.
- **Connect with a BravoSolution Professional** – Learn more about BravoAdvantage and how we can help you unlock your organization's hidden value and savings throughout the procurement processes.