

Oil Producer Reduces Delays and Improves Scheduling with Digitalized Procurement

RESULTS

- Shortened lead times on critical equipment
- Increased efficiency of equipment ordering process
- Added ability to order on-demand, any time day or night
- Reduced delays in the ordering process



APPLICATION

Digitalization of the procurement process using online commerce to deliver on-demand ordering of critical components with fewer delays and errors.

CUSTOMER

A large, highly productive oil producer in North America, managing equipment across an extensive network of wells.

CHALLENGE

Oil producers are responsible for numerous wellsites that require maintenance, monitoring, and optimization to maintain peak production. These daily responsibilities coupled with a business requirement to run lean made it increasingly difficult for one organization to stay on top of the procurement process for new and replacement equipment.

SOLUTION

To stay successful, one critical oil producer runs a very lean operation. Because a small staff is tasked with many activities to keep the organization's hundreds of wellsites running at peak performance, the team is tightly focused on efficient scheduling to ensure healthy operation. When the team schedules a maintenance window, they need to know lead times so they can plan and execute maintenance, and then move on to the next scheduled event.

Properly scheduling a maintenance window means having a fast, reliable, and efficient ordering process for new parts and equipment. For this organization, the system is complicated by complex model strings for parts and needing to schedule critical maintenance for odd hours.

Moving to digital procurement has eliminated the data entry errors that used to complicate our scheduling and delay our maintenance procedures.

For years, the team found that ordering new parts and tracking those orders through the invoicing process was a bottleneck for projects. One person was responsible for purchasing equipment for hundreds of different wells. That procurement agent needed to maintain a complex ordering system that properly procured and routed equipment and allocated costs to the correct site after each order. The team used to manage this ordering process with a spreadsheet that contained lists of items and their quantities with the associated wellhead name, and the procurement agent sent these spreadsheets to Emerson whenever the team needed to place an order.

To improve the ordering process, team implemented a digitalized procurement system via a web portal. The procurement agent can simply log into the portal, any time day or night, and access a list of the organization's commonly ordered items. The items are organized in a digital workspace by name, eliminating the need to enter complex model strings for each purchase—a common area for error. The procurement agent simply puts items in the online cart, checks out, and the order is processed within minutes—a process that typically took days when performed manually.

With 24x7 access to the online portal, the team can place orders when it is convenient. The organization also gains on-screen confirmation that orders are correct and can avoid the extended process of submitting purchase orders and working through the quote process. Moreover, the invoices from purchases automatically flow through to the invoicing system, saving the team the hassle of manually confirming and entering invoices. If there are any questions about an invoice, they are all stored online in the company's transaction history, making it easy for the team to log in and reconcile any issues.

The system also saves the team time by allowing them to re-use old orders. They can simply pull the original order back into the cart, change the wellhead location for invoicing and delivery, and submit the order again, saving hours of time re-entering model strings.

Emerson's digital commerce capability cuts through ordering complexity to deliver the speed required to operate at peak performance. In an industry where time is valuable, this producer is using digital procurement to move fast.

Not having to pull codes and then double-check them every time we want to place an order saves us a lot of time, and that time is incredibly valuable to our business.

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