

Knight Oil Tools™

Fast approval and payment of high-volume invoices with EMC Documentum ApplicationXtender

Benefits

- Electronic routing shaves time off approval process
- Automated procedures enable smaller A/P staff to handle bigger volume
- Up-to-the-minute status views enable better responsiveness and faster payment for vendors
- Instant access to complete information to support large capital expenditures

Business overview

In its 35th year of business, Knight Oil Tools™ is the largest privately held rental tool company serving the oil and gas industry. The company provides rental tools and services including, but not limited to, blowout preventers, manifolds, drill pipe, tubing, pipe baskets and handling tools for drilling, completion, and well control. Knight furnishes equipment and services for jobs ranging from the smallest land workover to the ultra-deepwater drilling operations located in remote areas of the Gulf of Mexico. With headquarters in Lafayette, LA, Knight has 23 locations in 10 U.S. states.

Challenges

For an organization as large and geographically dispersed as Knight Oil Tools™, an efficient and productive system for processing and paying invoices is critical. Until recently, however, the company had relied on a manual, paper-based system for purchasing of all assets ranging from office equipment and supplies to multi-million-dollar oilfield equipment. Routing of invoices through the proper approval channels in a timely manner had become challenging, especially for capital equipment which had to go through an additional inventory check.

Accounts payable personnel in the remote offices would begin the process by shipping a bundle of pending invoices via overnight delivery to headquarters for processing. If an invoice package was lost, it might not be apparent to the home office for up to 60 days since there was no efficient way to send a notification that a package had been sent. “Often, we wouldn’t know there was a problem until we’d get a call from a vendor about an overdue invoice,” said Barney Lejeune, Director of IT at Knight Oil Tools™.

Once the invoices arrived in the headquarters office, the company needed a staff of four accounts payable clerks to process them—and even then, the staff had difficulty keeping up with the workload. After hand-coding each invoice, the staff was required to re-enter the data into the company’s Traverse accounting system, causing additional delays.

Often, an invoice needing approval might become stuck on the desk of a manager that was traveling or on vacation, creating an additional delay. “It was taking at least 120 days to pay even the simplest invoices,” said Lejeune. “We needed a way to automate the process by scanning invoices at the source, coding them online, and then electronically routing them to the people that needed to review and approve them.”



Business profile

Knight Oil Tools™

Largest private rental tool company in the oil and gas industry

Industry

Oil and gas

Geographies

Headquarters in Lafayette, LA; operations in 10 U.S. states

Business solution

Invoice processing

EMC products

EMC Documentum ApplicationXtender

Deployment summary

Enterprise system for scanning, routing, and approval of invoices from all remote locations across the company

EMC partner

The Windward Group, EMC Professional Services

EMC solution

For the solution, Knight Oil Tools™ chose EMC® Documentum® ApplicationXtender®, software that enables organizations to quickly capture, organize, and deliver documents, images, reports, and other business-critical information via a centralized document repository. “Of all of the document management systems we evaluated, ApplicationXtender offered the most turnkey functionality—and it was the only one that could provide out-of-the-box coding of invoices at our remote sites,” said Lejeune. His team enlisted the support of the Windward Group for base installation services and EMC Professional Services provided customizations.

Doubling A/P productivity

ApplicationXtender has replaced Knight Oil Tools™ formerly manual invoicing procedures with a completely automated process. Invoices are scanned into the system at the remote sites, where they are automatically coded according to key attributes including account information and line items. Next, the system triggers an e-mail to the accounts payable team at headquarters to notify them that the invoices are ready for processing.

A customization provided by the Windward Group enables ApplicationXtender to import financial data directly into the Traverse accounting system for significant time savings. As a result, the company has been able to reduce its A/P staff from four to two. “Now that invoices are automatically coded at the remote locations, all our A/P clerks have to do is a quick verification, and then they push a button and the invoices are in the system,” said Lejeune.

Altogether, the system has been deployed to more than 100 Knight Oil Tools™ employees—including administrative staff at the remote locations, A/P staff at headquarters, and the managers in the approval chain. Users access the system via the easy-to-use ApplicationXtender desktop or, for remote access, a web client.

Seamless routing and approvals

Once the invoices have been entered into the system, the A/P clerks are able to instantly forward them to the appropriate managers for approval via e-mail notification. Now, Knight Oil Tools™ managers and vice presidents are able to access and approve the invoices immediately, whether from their own desks or from any remote location with an Internet connection. “One of our VPs recently had surgery, and he was able to sit in his hospital room and approve invoices. Otherwise, they might have sat on his desk for the six weeks he was out of the office,” said Lejeune. “The system provides a huge advantage for our managers that travel, and enables us to keep the invoices moving through the process even when they’re on the road.”

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Barney Lejeune, Director of IT

A dynamic page attached to each invoice indicates its current status in the approval process. “Now, if we get a call from a vendor asking when they can expect payment, all we have to do is go into ApplicationXtender and view the status page to determine who has approved the invoice and who hasn’t,” said Lejeune. “In the past, we would not have known where to look for an invoice, but now we can see instantly where it is in the process, and which manager it’s waiting on for approval.”

By automating the approval process and giving the company instant visibility into the process, ApplicationXtender has enabled Knight Oil Tools™ to process and pay invoices in less than half the time of the old, manual system. “The system gives us the ability to pull reports that show exactly how many invoices have been assigned to a given manager, and how long each one has been in the system,” said Lejeune. “It’s a great management tool for helping us build new efficiencies into the process and ensure that our vendors are paid in a timely fashion.”

Staying on top of the workload

The newfound efficiencies delivered by ApplicationXtender have enabled Knight Oil Tools™ to seamlessly process a huge volume of invoices with no additions (and in the case of the A/P department, reductions) in staff. On average, the company now scans about 7,000 invoices a month into the system, together with a large volume of supporting documentation including packing slips, purchase orders, and inventory documents for capital equipment. In many cases, this supporting documentation is up to 200 pages. “With ApplicationXtender, we have all the information we need to support payment of the invoice at our fingertips—a critical requirement especially for large capital expenditures that can be upwards of a million dollars,” said Lejeune.

Coming up: rental system integration

On the heels of the company’s initial success with ApplicationXtender, Knight Oil Tools™ is using the ApplicationXtender Integration Module to build an integration to its Rental Tool Management System (RTMS). “ApplicationXtender will add some important document management capabilities to RTMS to enable us to attach and manage supporting documents associated with each equipment rental,” said Lejeune.

Summary

EMC ApplicationXtender has brought about powerful improvements to the invoice processing, approval, and payment cycle at Knight Oil Tools™. By automating a formerly manual and burdensome process, the new system has enabled the company to halve its invoice processing time and A/P staff while handling a large volume of invoices, and provide more timely and responsive service to vendors.

About The Windward Group

The Windward Group is a comprehensive provider of content management services and solutions. Using our T3xP® methodology, we leverage our talented team of technologists and partners to help our clients capture, manage, and output content and documents related to various business processes. From needs analysis to systems design, application set-up, installation, training, and document conversion, we offer all of the hardware, software, and services needed to achieve successful results. For more information, visit www.thewindwardgroup.net.

About EMC

EMC Corporation (NYSE: EMC) is the world’s leading developer and provider of information infrastructure technology and solutions that enable organizations of all sizes to transform the way they compete and create value from their information. Information about EMC’s products and services can be found at www.EMC.com.



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To find out how EMC Documentum ApplicationXtender can help your organization improve invoice processing and reduce costs, visit www.EMC.com or call 800.607.9546 (outside the U.S.: +1.925.600.5802).