

ORGANIZATION

Vintage Petroleum

Imaging and COLD Solution Helps Independent Oil and Gas Company Cap Their Paper Gusher

Operations Engineers in the oil and gas industry are very conscious of the fact that you must have a smooth, orderly flow through the pipelines - no bottlenecks, no leaks. Change one aspect of the rate of flow by tightening or loosening a valve here or there, and you change the flow throughout. What they are probably not so aware of is the fact that that same concept of orderly flow is equally applicable to the paperwork back at head office.

Keeping the oil and gas flowing is the life blood of businesses in oil and petroleum exploration, but to keep those wells pumping, bills have to be paid and investors have to be encouraged by the regular receipt of revenue checks. Steve Phelps, IS Director of Vintage Petroleum Inc., a one billion dollar company headquartered in Tulsa, OK, with 20 US district offices and operations in South America, found that automating the accounting system had produced a paper gusher!

For decades we have been hearing about the move to the paperless office but the reality is that the US is using

more paper than ever, and the industry to support all that paper is growing fast. Knowledge Management Demands a Total Capture Solution, a white paper by Tony McKinley, states " Paper accounts



for more than 90% of all information, and it's growing. Since 1995, the paper document systems industry has grown from \$12 billion to \$110.1 billion." Knowledge management may be the key to the next millennium, but the first priority for many organizations is to dig out from underneath all that paper. The irony is, as Vintage discovered, that the paper threatening to engulf you is often of your own making.

Vintage runs their accounting programs on an IBM AS/400 system, which



MANUFACTURING

generates a weekly accounts payable run of around 800 checks and a once-a-month revenue check run for their working interest and royalty owners of 15,000. The revenue checks are laser printed and copies of the printout and check are filed. With the additional backup documentation that is required for some of the statements, there is a monthly influx to the filing room of some 18,000 documents. Coping with the once-a-month run was taking approximately two weeks, making retrieval difficult on occasions. Extra staff could be added, but the time and space demands of the paperwork were threatening the organization. As Mr. Phelps explained: "The filing requirements were overtaking the office, it was becoming a sizable task just to manage, not to mention the space it was taking up, which could be put to more productive use."

The oil man's creed can be best summed up as "Doing what's necessary



to get the job done" and it was this practical approach that guided Vintage's IS Director. Earlier involvement in a feasibility study had given him a clear idea as to what he could get for a reasonable cost. He wanted electronic storage which meant COLD (Computer Output to Laser Disk). To find the best COLD product for his needs he consulted Katherine Trefny of Design Technologies (now Plum Designs), a VAR who specializes in finding solutions for the oil and gas industry's computer needs. Ms Trefny recommended Metafile's MetaViewer, which Mr. Phelps decided to buy. When questioned about the speed of his decision (made in two weeks), Steve replied: "No one tells you all the facts, so there is a certain amount of faith in these transactions. Feasibility studies and product evaluations take time and money. I saw a demonstration of the product in Dallas and discovered that companies larger than mine are successfully using it. I also found out that companies of my size are using the product and, more importantly, that companies in my industry are using it. I contacted a number of



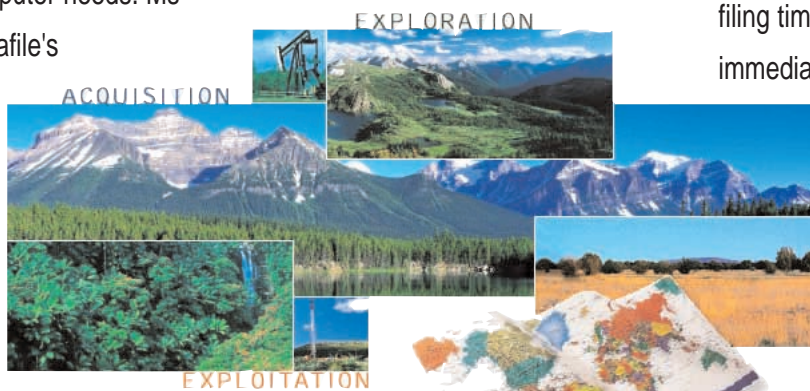
them, heard what they had to say and felt that if it is good enough for them, then it ought to be good enough for me. What I

more about the system after the instructors leave."

Now there are 18,000 documents a month that no longer have to

needed to feel certain about was that I would be bailed out if I got into any trouble with the installation. Design Technologies and Metafile's technical support group made me feel comfortable that I had a safety net in place."

Mr. Phelps was refreshingly frank in his



comments about the actual installation: "There were a few problems, mainly because I didn't read deeply enough into the documentation. But I could get the help I needed from Metafile's technical support. At times I wanted a longer training period, but when you weigh the price of the product against training costs, what we got was more than adequate and I honestly feel you learn

stapled, sorted and filed. 18,000 documents that can, with Metafile's full text search capabilities, be retrieved with just a few keystrokes immediately after the check run is completed. There has been a lessening of frustration and an increase in satisfaction for both investors and staff - attributes highlighted at tax filing time when missing papers can be immediately re-created from stored

templates.

The total cost for Vintage to cap their paper gusher was around \$28,000. A cost that is quickly recouped when you

consider that the cost of owning and maintaining a standard five-drawer file cabinet is \$880 pa, that over 3% of documents are misfiled and that the cost of finding a misfiled document averages \$120.00. More importantly, an impediment to information flow has been removed, giving higher productivity and allowing the back-office to help insure the smooth operation of all corporate pipelines

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