

TALOS ENERGY

Industry: Oil & Gas

Geographies:
U.S. and Mexico

Company Overview:

- Annual Revenue: \$500M+
- # of Employees: 470+
- # of Locations: 70+
- Financial Systems: BOLO & DocVue
- Time to Go-Live: 3 Months

Solutions:

- Coupa Source
- Coupa Procure
- Coupa Invoice
- Coupa Expense

Results:

- **\$200M+** Spend Under Management
- **4x** Increase in Spend Visibility to Identify Savings
- **90%** Decrease in Invoice Cycle Time

Leader in Oil & Gas Exploration Goes from Ad Hoc to Automated Spend Management

Talos Energy, a leading offshore energy company focused on oil and gas exploration and production, felt restricted by the need to balance purchasing speed for its platform operations with controlling spend to get more value from every dollar. Each of their drilling platforms—35 manned and 30-35 unmanned—requires operational support to keep running around the clock. But without a purchasing system, each platform was using manual processes for procurement, which were vulnerable to rogue spend.

The Challenge: Inefficient Spend Practices in the Heat of the Moment

Without a digital system for spend management, employees needing goods and services to keep the platforms operating would use vendor quotes with ad hoc PO numbers assigned in offline spreadsheets. Approvals were communicated to suppliers either verbally or via email. This inefficiency led to duplicate and missed orders, resulting in inventory shortages requiring costly overnight delivery orders to replenish.

Coping with Lack of Visibility and Low-Level Tasks in AP

Finance struggled to track these informal, offline and ad hoc practices. Without visibility into what was being purchased by employees, Finance was not aware of committed liabilities until after invoices were received. AP had to manually verify receipt of goods and services and that they'd been charged the correct price. They spent nights and weekends assigning GL codes to purchasing transactions and posting accruals in order to close the books on time and meet reporting deadlines.

Expense reports were submitted manually, further adding to the time AP had to dedicate to hand-coding, posting transactions to their general ledger, and reimbursing employees.

Procurement saw frequent stock-outs or overages of everyday items needed for platform operations because there was limited visibility into inventory or ordering. The Operations Manager had no way to comprehensively track platform maintenance & repair services performed at the platforms.

Oil platform staff found the manual processes of spend management cumbersome. Emailing back and forth with suppliers to get quotes, then printing them, scanning, and emailing back to the suppliers all took time. But they were concerned that using software would slow down order processing and take time away from running the platform.

“Our platform operations now run more smoothly while spend visibility and control helps our reporting and our bottom line.”

– **Christie Bourque**, Procurement Lead

New Approach: Embracing Easy-to-Use Spend Capabilities on the Production Platforms

The Talos team went live with Coupa in a short three months. With Coupa’s unified, easy-to-use source-to-pay and expense management solution, seamlessly integrated with their BOLO accounting system & DocVue document management systems, employees found the Coupa Business Spend Management Platform easy to learn and easy to use. Talos’ offshore platform superintendents, who were previously wary of digital systems, can now easily see what and how much is being purchased by vendor and by category.

Platform personnel can easily search and find the right goods and services from preferred, pre-approved vendors through Coupa’s consumerized guided buying experience. Employees appreciate being able to use their mobile devices to shop, review, and approve purchases and expense reports, no longer needing to print quotes and chase down written approvals, and then repeat the process when invoices come in. Equipment is ordered regularly so that it’s available when it’s needed, and rush orders are way down.

Streamlining Processes and Gaining Visibility for Business Impact

With better visibility into expenses, the Talos Finance team can more easily close the books on time and provide timely spending reports. With Coupa, invoices are received electronically and accruals posted automatically to Talos’ accounting system. Pre-approved spend and e-invoicing has enabled automated 3-way match and posting of accruals, allowing the finance team to focus on other demands.

Employees working on platforms now use their mobile devices to submit, review and approve expense reports, and AP no longer hand codes expense transactions into the general ledger.

Procurement now has the visibility to consolidate spend and identify sourcing opportunities for cost savings, as well as to strategically source high value goods and essential maintenance and repair services. Managers are also confident that employees are using approved suppliers.

Easy-to-use, automated spend management means streamlined processes across Talos’ exploration and productions platforms and the company’s business operations.

The Results: More Efficient Operations with Full Visibility and Control of Spend

With a fully-digitized source-to-pay and expense management process, the Talos Energy procurement team is delivering measurable impact to the organization:

- \$200M+ spend under management
- 4X increase in spend visibility to identify savings and ensure use of pre-approved vendors
- Fewer rush purchases and out-of-stocks
- 90% decrease in invoice cycle time (<1 day on average)

Complete visibility and control of spend, better inventory management and faster invoice processing now translate to more value from every dollar spent, along with operational efficiencies that go straight to the bottom line.

To see more Success Stories, visit coupa.com/results