

Insightful Accountant[®]

Exceptional Service in the Field Begins in the Back Office: Leveraging Technology to Drive Value in the Midstream

by [Sandra Fendley](#), Vice President and Chief Accounting Officer of [Vaquero Midstream](#), [Mollie Macklin](#)

July 12, 2018

The oil and gas midstream business – which includes the transportation, storage and wholesale marketing of petroleum products – at its core, is all about delivering exceptional service to our producer partners. From field sites to board rooms, to our own back office, we strive to create value for our partners and optimize each project to deliver top-notch results. In my experience, back office operations provide a crucial foundation from which excellent service can grow. Since the midstream business is capital intensive, we need solid financial reporting to build and maintain trust with our partners. While this kind of pressure can be very demanding of a financial team, I've found that using technology to do the heavy lifting gives my team the time to focus on what matters most: delivering exceptional service to customers.



At [Vaquero Midstream](#), our entire leadership team agrees that great technology can yield amazing organizational results. When we set up our financial management solution, we knew that we wanted a cloud-based solution that could scale with us and not require on-premises maintenance. After careful evaluation, we settled upon cloud financial

management software called [Sage Intacct](#). In non-technical terms, this software helps us manage finances and make decisions based on real-time data, keeping back office costs down and improving our profitability, all without sacrificing service. The efficiency and insights that we gain from using this technology allows us to execute on capital plans with speed and strategy, delivering marginal gains and business results that we can then pass on to our partners.



Because the technology exists in the cloud, rather than on a server maintained in our headquarters, we gain a few distinct advantages with regards to efficiency. We don't wait for each field office to send us

their records, then load the information into our local system. Data entered by an employee in the field or at remote office locations is instantly accessible to our corporate team, eliminating needless data re-entry, increasing efficiency, and reducing errors across the board. I know that the technology delivers numbers I can trust, and numbers our partners can trust as well.

Here's where this pays off in the field: on-site office managers have visibility into our Accounts Payable system, ensuring invoices are in the system and ready for payment, keeping our vendors and crucial partners up to date on the status of invoices. In addition, they have access to manage local payables without consulting corporate, so they can easily answer questions and handle relevant operations from their location. This also means my financial team focuses on what really matters – analyzing finances across operations and providing strategic guidance to deliver exceptional value to our E&P customers. Our staff spends less time formatting reports and worrying that our numbers are correct, which means we have more time to dig into the financial data and gain clarity into the real-time progress of different projects. This allows us to make adjustments as we go, deriving the most value from each and every project.

We not only track and react to monthly performance using the built in analytics, we are able to evaluate on a granular level why projects experience bumps or drops in performance – and even anticipate them. For example, I can look at volume-related operational data on gas production during pre-determined phases alongside the associated revenue. That way it's easy to determine which revenue is linked to a particular production month as opposed to the month when the accounting occurred, as well as monitor for changes. With these insights, it's easy to adjust our forecasts for different projects, and implement changes in real-time to take advantage of growing opportunities, and minimize the impact of unexpected challenges. Because we don't have unpleasant surprises, we've created a culture of trust – both internally and with our partners. Not only do we deliver better quality service because of this trust, partners prefer to work this way, too.

Deciding to run a business on a data-focused culture was strategic. I'm glad that, as a leadership team, Vaquero made this a priority from day one. With cloud-based tools, like our financial management solution, we're able to avoid common business pitfalls and challenges, and simply build for the future. This has been important for our ability to grow and to sustain the trust of our partners as we do it.

by Sandra Fendley, Vice President and Chief Accounting Officer of Vaquero Midstream, Mollie Macklin

July 12, 2018