



Major US Midstream Company

Tickets to success

Our client is a publicly traded master limited partnership, formed in 2002, to acquire, own and operate a diverse mix of crude oil and refined products' pipelines, terminaling and storage facilities, as well as crude oil acquisition and marketing assets. Their confidentiality policy prevents us from publishing their name.

ANALYSIS

Our client decided to engage a consultant to help them understand and resolve the discrepancies in ticket processing and monthly close processes. They were at risk of losing several key accounts due to their inability to provide accurate and timely information on oil gathering and purchasing. In addition they were plagued with missing tickets, duplicate tickets, and ticketing errors. The Renoir Analysis team carefully assessed the ticketing processes to determine the primary challenges and opportunities associated with the collection and dissemination of this information.

These challenges were the result of a period of substantial growth through acquisition, along with the boom in oil production throughout North America. Our client had doubled their fleet size and increased their use of third party carriers by a factor of four, issuing over 50,000 tickets per month.

PROJECT APPROACH

The Renoir Focus Process™ was organized around three work-streams based on the findings from the Analysis:

- Lease Set-up focused on the acquisition and installation of all information necessary to provide safe, legal, and timely pick-up of customer's oil, along with correct allocation of Division Order and payment.
- Product movement was charged with understanding and identifying opportunities in the areas of oil pickup. This included identification of customer pickup requirements, Third Party Carrier engagement and management, Vehicle scheduling, Ticketing, and reconciliation of orders.
- Reconciliation and Payment was tasked with identifying the challenges and opportunities for reconciling pick-ups to oil receipts, acknowledging delivery receipt and accuracy, and transfer of shipment information to Division Order.

IMPLEMENTATION

For Implementation we established three work-streams:

- *Ticket Group* – to define the work content, Management Control System, and organizational structure of a new Ticket Management Group which would be tasked with validation and back office processing of all tickets for oil gathering.

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“Renoir was able to help us understand our ticketing operations and develop a workable solution. We had been unable to accomplish this with several years of effort prior to their participation.”

**Vice President,
Operations**

Key Results

Reorganization of the Ticket Group, establishing staffing requirements, accountabilities, and organization

Full accountability for ticket submittal and accuracy

Implementation of a ticket reconciliation process and systems support to minimize missing and duplicate tickets.

New control systems and processes for oil gathering by private fleet and third party carriers

- *Demand Capture* – focused on tool processes and Management requirements to ensure that all customer pickup requirements were captured and communicated on a daily basis.
- *Daily Ticket Reconciliation* – to capture and reconcile all daily pick-up activity and reconcile with the customer demand requirements.

As part of the Implementation phase, Renoir led the requirements development for a system upgrade to integrate third party carrier submittals directly into the Ticket and Division Order processing systems. This resulted in faster and more accurate monthly closing and account settlement.

A parallel step was to organize and roll out pilot programs in ticket reconciliation, using an existing system integrated in the pick-up vehicles. This was followed by a roll-out among the various stations and fleet locations within the business. The final step will be to upgrade systems to a more up-to-date and robust transportation management system.

RESULTS

Our Client was able to identify clear progress towards complete and up to date tracking of operator pick-up orders, order status, and order fulfillment. The stage was set for a system wide upgrade and integration of a new and more robust transportation management system. With the improvements in ticketing rules and processes along with the restructuring of ticket management processes in the truck-ing group, they were able to achieve a substantial reduction in late, missing, and duplicate tickets.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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