

Cleargistix

FOR ADVANTEK, CLEARGISTIX SLASHED DSO TIME FROM 110 DAYS TO 50

Cleargistix makes invoicing easier, improves cash flow, reduces errors and provides critical management information.

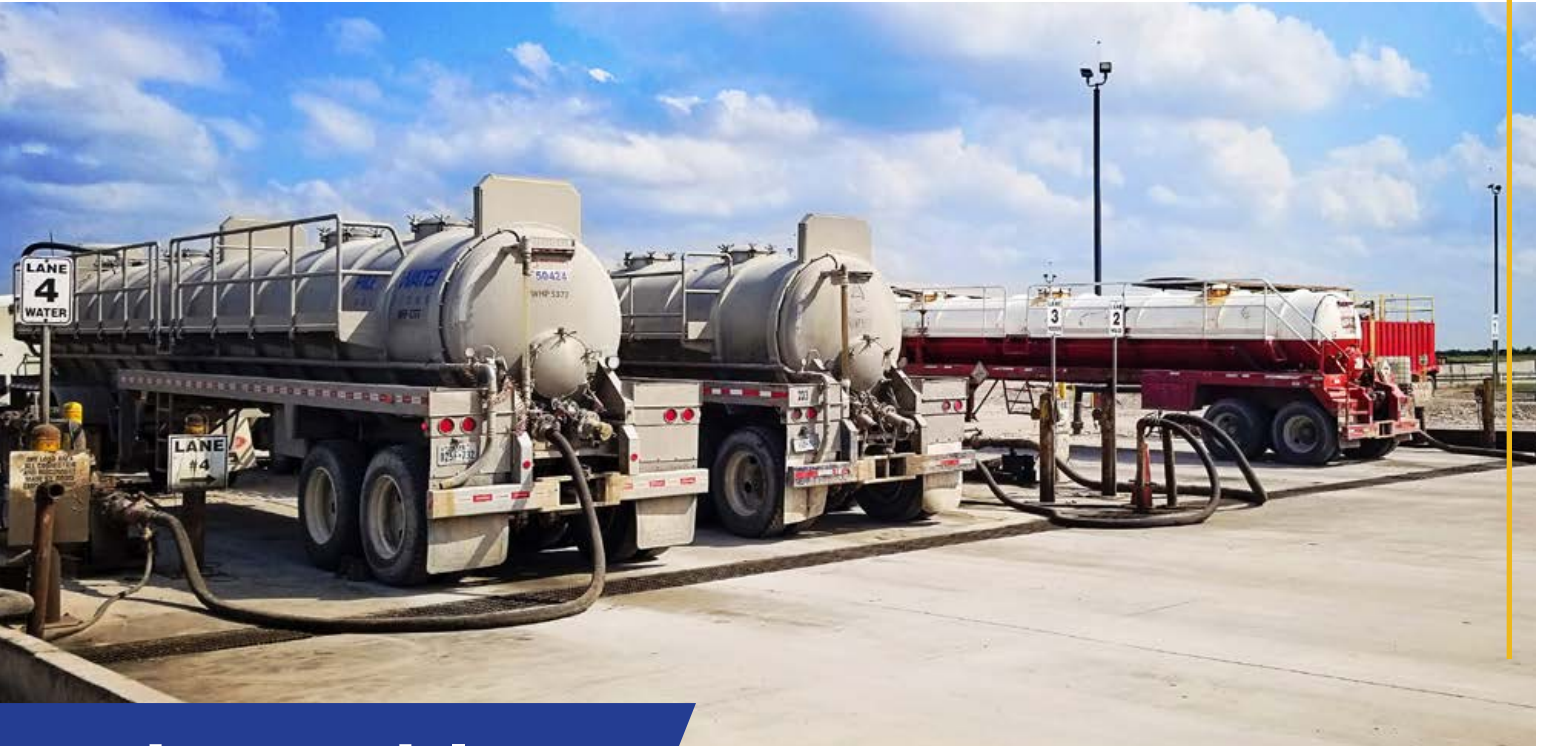


INTRODUCTION

Only about 200 miles of road separate the Houston home office of Advantek Waste Management, LLC and its disposal facility in Karnes County, south of San Antonio in the Eagle Ford Shale. But its hand-written manifests/tickets and billing data were making an electronic journey halfway around the world and back, stretching the billing cycle by several weeks.

Every day the Karnes facility sees anywhere from 30 to 150 trucks hauling drilling fluids, produced and flowback water, drill cuttings, tank bottoms, drilling mud and other oilfield waste for disposal. It averages 70 trucks per day.

Open since 2016, the site's business has grown each year, requiring more and more work from accounting personnel to stay abreast of billing and management reporting.



The Problem

Documentation and billing began with hand-filled manifests completed by third party drivers or site staff, rife with errors, omissions, shorthand, and illegible writing. At first, those documents were scanned and sent overseas for manual data entry and quality control, then emailed back to Houston in the form of hundreds of lines in an Excel document. Later, Karnes County administrative personnel manually created the manifests/tickets. Invoices were created only at the end of the month, then sent to clients first for verification and approval before being forwarded to the clients' accounts payable department.

Time from the site visit to billing averaged 50 days, with the average days sales outstanding (DSO) coming in at 100-110. In addition to cash flow issues, this system could not feed information into trending reports, and clients who wanted weekly invoicing to account for their disposal activity were dissatisfied.

As the Karnes County site's business grew, the delays and inaccuracies in billing only got worse.

In short, the four main problems with the paper-based system were:

- TOO MANY ERRORS
- VERY SLOW TURNAROUND
- NO MANAGEMENT REPORTS
- NO SCALABILITY

The company needed a single system to solve these issues.

LOSING THE PAPER TRAIL

When the company opened the facility, they anticipated the issues with the oilfield standard of using paper manifests/tickets. However, the bespoke digital system created in their PLC had a poor interface causing the data to quickly become unusable. The company reverted to the paper system which was adequate for the number trucks a day received when they opened in 2015. Plant operations personnel tasked mainly with offloading the truck asked each driver to fill out a manifest detailing what waste they were hauling in and where it came from. The driver brought in a bill of lading from the oil and gas operator who generated the waste, showing what was in the truck when it left the drill site. In 99 percent of cases, the bill of lading matched the report filled out at the disposal plant.

On a quiet day the site operator can both empty the truck and do the paperwork. But when trucks start lining up, as they began to do in earnest in 2017, the operator can become overwhelmed. Worse, idle drivers cost their clients extra money as they wait in line. For Advantek, these rush times led to mistakes including illegible handwriting and incorrect numbers.

At the end of the day the operator would scan all the day's manifests/tickets and send the files to Egypt for key entry into Excel. The next morning, Houston time, the information arrived at the main office where accounting personnel would manually check everything for errors.

WHAT THEY NEEDED

Before deciding how to proceed, Stevenson and his team evaluated their procedures in order to understand what a software system should do for them. "We needed a system to manage the manifests, which in turn would feed the invoicing process, and the byproduct would be a management reporting system," said Stevenson.

But the road to Cleargistix had one hurdle—Advantek first tried software from a company that provides fluid facility management solutions. After almost nine months of false starts, Stevenson realized they needed to try something else—and this time they had to get it right.

For Accounting Manager Jaymie Allen, this process was tedious and frustrating. "I had to go through the data and make sure everything was correct, and if it wasn't, I had to refer to historical data to decide what the numbers should be and manually correct all that data every day." As the truck volume increased, this became more and more difficult. Just checking and verifying manifests/tickets required about two hours a day, seven days a week.

Because many trucks made multiple trips each day, the data entry process consolidated the paperwork to 30-60 manifests/tickets for accounting to track and verify each day. This load left no time for generating invoices more than once a month, even though some clients were requesting invoices weekly.

When accounting did create monthly invoices, most larger clients required the invoices to be returned to the waste generator for final approval. It took 40-50 days just to get to this point, and, says Colin Stevenson, the company's CFO and COO, "This was the main reason we looked to Cleargistix, to improve our capital efficiency."

The second reason involved the inability to easily collect and assess data, which created reporting problems. Stevenson explained, "I would go to an operations meeting and get one story (based on how they had sorted the available numbers). I'd go to a sales meeting and get another story. Then I'd go to a finance meeting and get a third story."

The Solution

After being introduced to Cleargistix by one of their Board Members and investigating what Cleargistix offered, Advantek asked for a demonstration. Stevenson reports being impressed that the demo included Advantek's own data. "We weren't shown dummy files in the presentation. We got to see how the system would handle data we actually work with day to day."

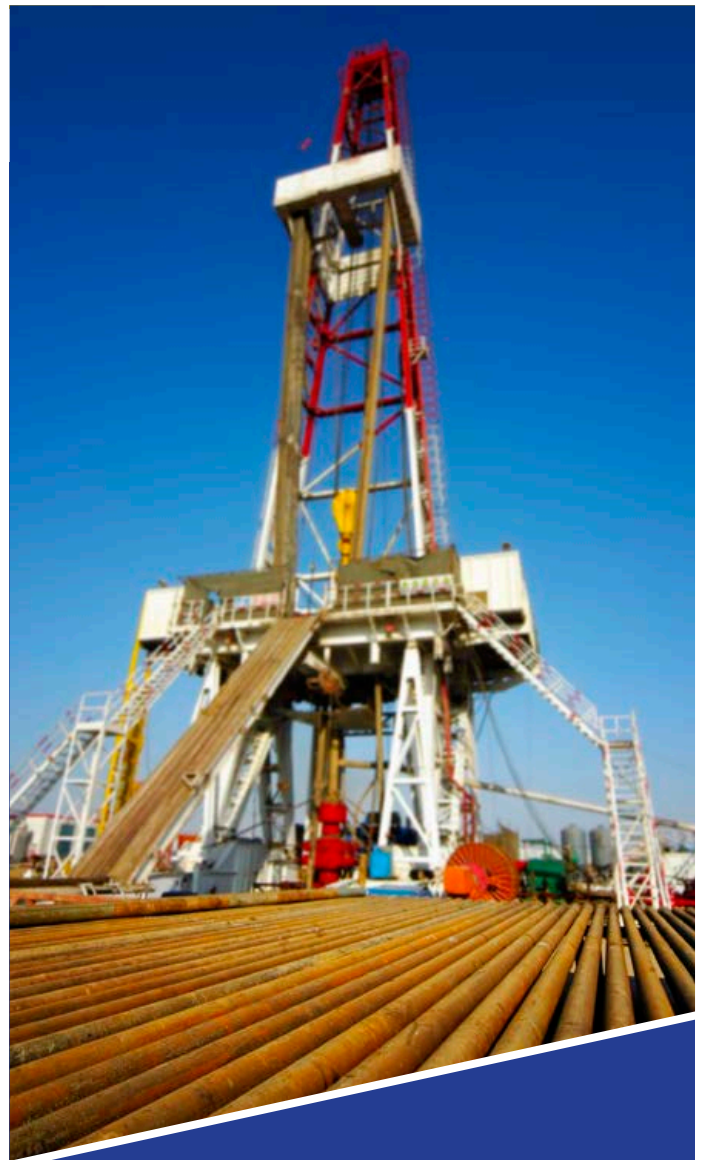
Once Advantek chose Cleargistix to replace the previous software supplier, the Cleargistix team set to work learning the details of Advantek's system so they could configure the software to meet their requirements. They worked closely with Stevenson and accounting personnel Jaymie Allen and Katrina Benwell. Allen made videos of her procedures to help Cleargistix visualize their information processing needs.

One challenge involved a need for flexibility in who is billed for each truckload of waste. Stevenson noted that 90 percent of the time, his company bills the waste generator (generally the oil company), but in about 10 percent of cases they bill the trucking company. The Cleargistix team took the time necessary to provide those options.

Assistance from Cleargistix included advice on improving the Wi-Fi at the Karnes County site, so the online version could be used as much as possible, providing instant data access. For times when the internet service is down at that remote location, there is an offline version that stores data until internet service can be restored.

Overall, Allen says the configuration and implementation processes were like rocket fuel, as "points were being checked off quickly," followed by their testing, with feedback sent back to Cleargistix for tweaking.

Advantek officially went live with Cleargistix on October 1, 2019.



**INTELLIGENTLY
CONNECTING
THE FIELD
TO THE OFFICE**

Improvements in time efficiency and accuracy would top the list of benefits Advantek has seen.

ONSITE

One benefit seen by Advantek is the ability to duplicate manifests/tickets. Many clients make multiple trips each day with the same payload, so this relieves the need to create new manifests/tickets each time—the previous one can be copied, taking only a few seconds to update details such as time in and out, and it's done. The system's ability to filter by criteria such as site and client are also time-saving benefits for Advantek.

IN THE OFFICE

As previously stated, verifying and correcting the previous day's manifests/tickets required up to two hours per day, seven days a week under the old system. Now, Allen gets all that done in 30 minutes to an hour, six days a week, a savings of up to 11 hours a week. That is the equivalent of more than one workday each week.

In fact, with data instantly available in Cleargistix's cloud, Benwell says manifests/tickets can be checked as they come in, when she and Allen have a few minutes between other tasks. This allows them to spread the process into bite size increments throughout the day. Further time savings are generated because all attending documentation is in place—there is no need to call the site to track anything down.

Transaction information from the disposal site is immediately accessible in Cleargistix, including any attachments as neat, clean PDFs. "I can read them!" Allen said. Reports are available to help with the review of information from Karnes County. Increased accuracy of the incoming manifests/tickets also boosts the accuracy of the outgoing invoices.

"My favorite part," said Allen, "is that they added a feature where you can download all your PDF documents in one click, which saves me a lot of time as opposed to having to find them individually."

"Importing into QuickBooks is just amazing," Allen continued. From the invoice desktop in Cleargistix she takes the digital information from each manifest/ticket and combines it into a single invoice. "Using Cleargistix's tool, I take that information and connect

it to QuickBooks, which immediately produces an invoice." She creates a PDF of the invoice which she attaches to the digital manifest/ticket along with the corroborating documents, and it's ready to be sent out.

"Before, I had to go in and manually find and attach each of the documents, and that could take me 30 minutes per invoice," she said. "Now, with one click they're downloaded. I drag and attach them to the invoice, and they're done."

She can also easily export the data in Cleargistix into an Excel spreadsheet.

For clients or wells involving multiple manifests/tickets per invoice, Benwell appreciates the ability to open an invoice when the first ticket comes in, then to add to it as she has time when other invoices arrive. While an invoice can be done all at once, she finds it helpful to have the flexibility to do it either way.

With the ability to create manifests/tickets faster and for accounting to review and approve them in less than half the previous time, Stevenson reports that this time is indeed money. Instead of a DSO of 100-plus, the company's current DSO "hovers around 50. By any benchmark, that's pretty exceptional," he said.

With increasing needs for remote working (home and elsewhere), Allen is pleased that all the data is stored in the cloud. That way, incoming manifests/tickets from Karnes County flow into her workspace at home just as they do at the office—and her finished invoices go out just as easily.

MANAGEMENT AND REPORTING

Under the old system, Stevenson got different data from each department, creating reliability questions. Now, as Allen and Benwell create reports and export Cleargistix data into spreadsheets, the same numbers are delivered to every department to be analyzed as needed. And Stevenson has a consolidated picture of each department's status.

At this writing Advantek had been live on Cleargistix for eight months, accumulating data over that period. While the daily reporting has already paid dividends, Stevenson's next step will be to use aggregate data to generate additional reports needed by each department for historical analysis and forecasting.

KARNES COUNTY SITE BENEFITS

New software implementations are most effective when all users embrace the new solution and believe it benefits them personally, and Karnes County Receiving Administrator Janet Guevara is fully on board, declaring,

“I love it, it's faster than it was before.”

There are numerous timesaving and efficiency enhancing features on the facility side. Because most drivers make multiple trips to the facility every day, bringing essentially the same loads each time, the ability to copy and paste previous invoices means it is not necessary to start most manifests/tickets from scratch as was necessary under the old system. Also, after pasting the manifest/ticket, Guevara can simply click on a clock icon in the software to update the time/date stamp. Any other small updates are also quick and simple to make.

Brand new manifests/tickets are fast as well, she said. “Even when

you get a new transport in here, it takes no more than a minute to input everything.”

With 70-140 truck trips per day, and the tendency for those trips to cluster at certain times of day, she appreciates the fact that Cleargistix reminds her to fill all blanks and attach all files before advancing to the next screen. Before, incomplete entries were only caught days later, making reconciliation much more difficult.

The best thing for Guevara is that Cleargistix does away with multiple carbon copies of handwritten documentation that had to be sorted and filed at the end of every shift. “This is much less hectic than the old way,” she said. Boxes of old manifests, retained to have auditability, used to take up an entire office in the company's HQ. Now, all those files live in the cloud.

On the client side, drivers appreciate that Cleargistix relieves them of tedious paperwork as well, needing only a signature before they leave for another load.



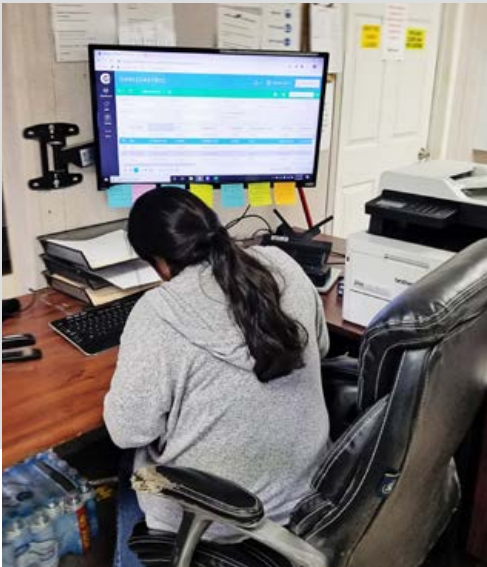
CUSTOMER VALUE

Advantek's manual system with its long delays had led to some customer complaints, Stevenson acknowledged. Some new clients like to receive invoices weekly, which was completely unthinkable before. Because Cleargistix makes data available daily, weekly billing is simple.

Weekly billing helps Advantek's clients track costs by project, letting them close out project accounts in a timely manner.

For example, “If a client is drilling a well and they want all the waste from that well on one invoice, we won't necessarily know when the well is done based on the waste coming in,” Benwell explained. “So when that client calls our salesperson wanting an immediate invoice for all waste from that well, Jaymie and I can quickly do a search for all manifests/tickets involving that well and get that invoice out automatically, usually the next day.”

Conclusion



The transition from paper to digital is fast, quick, & easy with **Cleargistix**

For Stevenson, the top benefit of Cleargistix is consistency in process and in data. “Now there’s one data source, and I can trust it. Now, across every department, we’re all walking around with the same numbers in our heads. That’s much better when you’re trying to solve operational problems.” Cleargistix has minimized errors, cut billing time and DSO in half and has provided consistent, reliable data across every department.

Cleargistix also allows Advantek to provide data in any format the client wants, creating greater customer satisfaction. “Two years ago, when I talked to customers, one of the top complaints they had was about invoicing. I never hear that anymore since we went to Cleargistix,” he said.

Through the entire process, Cleargistix worked closely with Advantek to optimize the system for Advantek in every area—at the remote site, in the office, in the executive suite and for customer billing.

“The customer service was amazing,” Allen said. After the live date, “Lindsay (Sweitzer, Cleargistix’s Chief Customer Officer) and I had phone conversations once a week every week for several months to go over our progress, status of a last few updates—she was absolutely amazing with that.” She added that the Cleargistix team is always available when questions arise.

Saves Costs and Time

Get Paid Faster

Reduces Errors

Real-Time Information

For more information, contact Cleargistix at info@cleargistix.com or 985-206-9544.