



Case Study: California Resources Corporation

Overview

California Resources Corporation (CRC) is a publicly traded oil and gas exploration and production company – the largest oil and natural gas producer in California on a gross-operated basis. CRC operates a world-class resource base exclusively within the state of California, applying complementary and integrated infrastructure to gather, process, and market production. Using advanced technology, CRC's 4,000+ employees and contractors focus on safely and responsibly supplying affordable energy for California by Californians.

The Problem

Getting a 60,000 square foot inventory using a network of vendor suppliers with different descriptions and item numbers was an enormous challenge. Automating the part inventory systems and consolidating them into a single search was critical. By not fully understanding which parts mapped to various oil producing wells, CRC couldn't create true vendor partnerships when off-catalog requests cropped up. The vendors couldn't provide inventory management services at the margins or service levels desired by both parties.

CRC only had their parts inventory cataloged by description, a field with lots of variability. Procurement was difficult, with CRC vendors rapidly searching inventory to locate needed parts. Off-catalog requests were too high and parts procurements was 20% over budget.

The Solution

CRC relied on a dozen legacy procurement systems before ProcessMaker. With ProcessMaker, an automated, Google-like search of disparate inventory sources was created. CRC was then able to introduce a "Search Before You Buy" process that made procurement efficient. Wells are now repaired more quickly, positively impacting oil production.



California Resources Corporation (CRC), the largest oil and natural gas producer in California, uses ProcessMaker as an end-to-end workflow automation solution to optimize resource and asset management.

Industry

Oil and Gas

Country

Los Angeles, California, USA

Integrations

12 legacy procurement systems

Highlighted process implemented

"Search Before You Buy" automation

Timeframe

4 months

By bringing together inventory data from disparate sources, standardizing and improving indexing criteria and making it available for downstream decision making, CRC is transforming their business and becoming much better steward of financial resources. Access to the right data in an easy to find, structured process would reduce variability and costs from procurement, contracting, vendor management and inventory management processes.

The Value Created

The "Search Before You Buy" procurement protocol immediately reduced calls and emails between departments, requesters, the warehouse, and external vendors. Parts were found faster and more accurately within the existing inventory as a result, greatly reducing the number of off-catalog purchases. Each off-catalog purchase had upcharged 20% or more.

Additionally, metrics were reported on many new pieces of data. This information indicated frequently used parts, showing demand for various parts to be sourced locally. It is preferable for the vendor to incur the cost of inventory, having the service level agreement deliver to CRC for local parts. Finally, automation allowed CRC to understand what was in their 60,000 sq. ft. parts warehouse. Parts not tied to active field-based assets were obsolete. Some were recycled, sold for scrap, or disposed. The newly-freed warehouse space reduced the need for extra storage.

ProcessMaker professional services worked closely with CRC for nearly four months to develop an automated and searchable procurement solution. Field-based executives, leaders in IT, procurement, and relationships with vendors all took part in implementing a successful solution. Since transparency in the inventory increased, CRC was able to translate these learnings into better contract terms with suppliers to reduce non-catalog purchases.

CRC experienced lower costs from savings while increasing revenue due to improvement of document-intensive, approval-based processes. Smoother workflows and greater efficiency of resources has fundamentally changed procurement, inventory management, contracting, and vendor relations strategies in the oil and gas industry in California.

About California Resources Corporation

California Resources Corporation (CRC) is an oil and natural gas exploration and production company operating high-growth, high-return conventional and unconventional assets exclusively in California. CRC explores for, produces, gathers, processes and markets crude oil, natural gas, and natural gas liquids. CRC makes significant use of proven modern technologies to enhance safety and efficient production across its leading mineral acreage position and diverse portfolio.

The Results

- \$1 million USD in reduced warehouse costs
- More efficient, automated procurement process
- Increased efficiency of procurement staff
- Better contract terms with suppliers to avoid non-catalog purchases
- Part numbers and vendor fields are now searchable through automation
- Lower cost of inventory due to increase in pre-negotiated contracts
- Establishment of par levels of inventory and smarter inventory decision-making
- Increased use of local vendors for less frequently used part storage, reduced capital needed to maintain required levels of inventory
- Reduced off-catalogue purchase costs by 20%

About ProcessMaker

ProcessMaker is low-code BPM and workflow software. ProcessMaker makes it easy for business analysts to collaborate with IT to automate complex business processes connecting people and existing company systems. Headquartered in Durham, North Carolina in the United States, ProcessMaker has a partner network spread across 35 countries on five continents. Hundreds of commercial customers, including many Fortune 100 companies, rely on ProcessMaker to digitally transform their core business processes enabling faster decision making, improved compliance, and better performance.