

## CASE STUDY

# Application Exploitation to Improve on Processing Revenue Distribution

## The Challenge.

The client's Revenue Accounting department was performing month-end revenue distribution processing via manual efforts. These manual efforts included several spreadsheets used to derive the allocated revenue for their operated properties by manually maintaining formulas and keying in by hand data values such as monthly production volumes and marketing prices. Once the spreadsheets were fully validated, the revenue team would then transfer this information to the ERP system via upload templates and then would begin the revenue distribution. With looming staff layoffs and an already short turnaround time for processing the revenue distribution each month, the maintenance of the spreadsheets added unnecessary time to the month-end close and introduced inaccuracy issues.

## The Opportunity.

With years of service assisting clients in getting the best out of ERP software, Magnum Forge engaged the client to begin a project to seek out functionality within the client's software system to handle the revenue distribution processing in an automated fashion. The client was eager to work with Magnum Forge, adopt new business standards, and "stop doing things the way they had always been done." Ultimately, for the client, who acknowledged that they had been lagging a bit behind peer and industry best practices, this project was an opportunity to exploit existing functionality in their ERP system.

## The Project.

Magnum Forge began the project with an initial assessment to ensure that all revenue processing scenarios could be automated through the untapped functionality of the ERP system. After the successful validation of the scenario testing, the project entered the implementation phase. During this phase, Magnum Forge worked directly with the functional departments of Revenue Accounting, Production Accounting, Division Order, Marketing, Internal Auditing, and IT to ensure that user acceptance testing was thorough and that end users were adequately trained on the new processes. To aid in the change management aspect of the project, Magnum Forge created detailed desk procedure documentation that outlined the new roles and responsibilities and was to be used by each group as a reference during month-end processing.

## The Outcome.

The project ended with the client successfully processing revenue distribution in a more automated manner in line with auditing standards through the exploitation of existing functionality of their ERP system. Additionally, Magnum Forge helped the client realize industry best practices for revenue deck ownership setup and maintenance. Currently, Magnum Forge is assisting the same client with automating their state royalty reporting, which would deliver additional business process efficiencies. Having in-depth knowledge of upstream software systems has allowed Magnum Forge to assist clients in discovering untapped functionality to improve day-to-day and month-end processes.

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