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Software firm strikes digital gusher

By CHARLES MANDEL

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"Oil and gas is an industry that historically doesn't respond to that kind of thing," Mr. Munro says. "The majority of people are geologists, geophysicists, engineers and technical people with technical backgrounds. You sell them on the technical and economic merits of your solution, not on splashy marketing schemes."

That strategy has worked so far. With revenue growth over five years of - wait for it - 6,769 per cent from \$135,000 in 2001 to 2005 revenue of more than \$9.2-million, Digital Oilfield landed the 42nd spot on the 2006 Deloitte Technology Fast 500 list. Some 6,400 oil and gas firms and suppliers use Digital Oilfield's software, including such large players as EnCana Corp. , Devon Energy Corp. and Occidental Petroleum Corp.

"Invoicing? Big thing," says Darin Stahl, research lead with consulting firm Info-Tech Research Group in London, Ont. "You've got to get the money in the door." According to Mr. Stahl, applications like Digital Oilfield's provide energy firms using clunky in-house systems with software that allows them to concentrate on their core business while saving them money.

Digital Oilfield delivers software over the Web to energy companies out in the field. Because the oil industry is made up of a complex, mobile work force that typically deals with numerous suppliers scattered across the country, invoicing often poses a

challenge. The largest Canadian energy firms handle upward of a million invoices annually, Mr. Munro says. Digital Oilfield developed its OpenInvoice software to help automate invoicing and related paperwork and clerical tasks.

"When we started, the objective of the company was to completely automate the collaborative processes that take place between an oil and gas company and its suppliers," Mr. Munro says. Now Digital Oilfield offers a suite of software that works from a single hosted platform, allowing energy firms to work with their suppliers as if they were one virtual company.

EnCana uses Digital Oilfield's OpenInvoice to process some 700,000 invoices annually. According to company CIO, Keith Robson, EnCana saves approximately \$4-million annually because it is able to process invoices earlier, qualifying for early pay discounts suppliers offer.

The software has cut EnCana's previous invoice time from 45 days on average to 11, while removing a number of steps that once delayed the invoice's progress.

The oil company also employs Digital Oilfield software whereby suppliers with touch pads record the services they've provided right at the rig site. An EnCana supervisor instantly approves the invoice on-site. Previously, invoices would arrive 30 days after the work and the EnCana employee would "take them home in his briefcase and in front of the TV would have to pore through piles of those things at home," Mr. Robson says.

Roughly 20,000 customers use Digital Oilfield's hosted software. The software licence along with annual subscription can cost anywhere from thousands of dollars to hundreds of thousands of dollars, depending on the size of the firm and the number of users.

According to Mr. Munro, Digital Oilfield has no intention of slowing down any time soon. He describes the market as global, one of the reasons for adding a London office to its Calgary and Houston locations.

But expansion isn't without its challenges. Even as Digital Oilfield looks overseas, it has to grapple with currency conversions and tax requirements as the company tailors its software to each new jurisdiction.

Still, in some ways, these are problems most companies would envy, all centred around growth.

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