

# *Getting Ready For Rapid Growth Left Sam With No Time To Manage The Books.*

## WellPath Energy Services, LLC.

GrowthForce Provides  
Timely, Accurate Financial  
Intelligence For Houston-  
Based Wellpath Energy  
Services, LLC., Including  
Profitability-By-Well-By-  
Day Reporting

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# Case Study

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## *GrowthForce Provides Timely, Accurate Financial Intelligence For Houston-Based Wellpath Energy Services, LLC., Including Profitability-By-Well-By-Day Reporting*



Wellpath Energy Services is a Horizontal and Directional drilling company serving the Independent Oil & Gas Industry. Headquartered in Houston, Wellpath has national and international Operations. Samuel Chase, Jr. serves as Chairman & CEO.

**S**am Chase, Chairman & CEO of Wellpath Energy Services LLC, and Vice President of Operations Andy Chase were anticipating rapid business expansion for their startup, in a relatively short period of time. Based in Houston, Wellpath is a provider of horizontal, directional, and performance drilling services to the Independent Oil & Gas Industry in North America. In order to focus more of their efforts on sales and the complex operations inherent in the business, Sam and Andy knew they needed to build a robust cloud based system to accept growth and the flow of information from rigs, vendors, field hands and corporate. Such a platform would permit transaction growth in a flexible way in a variable cost structure.

As they say in Texas, this wasn't Sam or Andy's first rodeo. They understood the importance and value of leveraging technology and adopting scalable back office solutions to keep costs lean while achieving efficient growth for the business. With a background in finance and investment banking, and as the current managing partner of Wellpath's private equity partner, Tanglewood Capital Partners, LLC, Sam Chase is both financially astute and technologically savvy. "The last thing I wanted to do was build and maintain an in-house accounting department and not be highly automated in the cloud to accept information flow from many locations" stated Sam. "At the same time, the ability to build a front end and accounting system to monitor job profitability was of critical importance to my business."

Wellpath was searching for a cloud-based bookkeeping service provider that shared their desire for building business efficiencies through process automation, software integration and a paperless back office environment. Sam wanted "a scalable accounting solution that alleviated most staffing needs, but also integrated with other business processes." As the VP of Operations, Andy wanted internal controls and timely and accurate financial reporting, without the daily

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Wellpath Chairman & CEO

hassle of managing the company's books and paper flow from rigs, vendors, field hands as well as normal corporate processing. To develop the financial intelligence, process controls and quality assurance requires senior management to be dedicated to constant review to be sure that basic chart of accounts and financial report meet the companies need but it is Growth Force responsibility to execute it.

## Under Control & On Time

### >> Disciplined Monthly Closing Process

When Sam first approached GrowthForce, he made it clear he was searching for a cloud-based management accounting solution that could deliver proper accounting controls and maintain timely and systematic reconciliation of accounts payable and accounts receivable. "As an entrepreneur and business owner myself, I can relate to Sam's motivation," explained GrowthForce CEO Stephen King. "At GrowthForce, we understand the critical importance of having timely, accurate and accessible financial intelligence so smart CEOs like Sam can focus on what matters the most – growing their business."

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## Getting Started

### >> Onboarding With GrowthForce

Like all of GrowthForce's clients, Wellpath started with a dedicated service team, made up of a bookkeeper, staff associate and controller, who welcomed Sam and Andy aboard. With the team approach, Wellpath always has someone available to perform their mission critical tasks, as well as a second set of eyes looking over the books. Additionally, by shifting the recruiting risk to GrowthForce, Sam has peace of mind knowing that he will not need to worry about turnover, vacation, sick time, or extended leave of absence. As explained by Wellpath's external auditor, Houston CPA Pete Nelson, "With GrowthForce, Wellpath gets the benefit of a dedicated available accounting team complimented by extremely streamlined, relatively sophisticated accounting systems. Additionally, GrowthForce provides supervision of the accounting process, which might not occur if it were a department of Wellpath."

As a startup, Wellpath's accounting slate was clean; therefore the first task for Wellpath's team of certified Intuit QuickBooks Pro Advisors was to design QuickBooks Enterprise Solutions Software to meet the company's accounting needs within a secure, cloud-hosted environment. With Wellpath's management and consulting CFO, the team then developed chart of accounts, general ledger a disciplined paperless workflow for performing each of the scheduled tasks, such as daily, weekly and monthly financial reports and month-end closing, including a monthly reconciliation of every balance sheet account as well as KPIs germane to its business. All of this information was recorded into a detailed processes & procedures manual to ensure consistent and timely delivery of all services, and to help the CPA see the exact processes GrowthForce was going to provide for Wellpath.

# Beyond Bookkeeping

## >>Efficiencies and Intelligence

Wellpath Energy Services handles many drill sites simultaneously, and needs to monitor daily job site profitability. Consequently, of great importance to Sam is the ability to manage job costing and monitor job profitability by knowing daily revenues what affects incremental costs, as well as insight into daily margins. To achieve this level of financial intelligence, GrowthForce created a daily job costing accrual process to determine the true cost per well per day. On a more macro basis, GrowthForce also delivers investor reporting to Tanglewood Capital Partners LLC and the other owners. “Given that the oil and gas industry is quite volatile, different information needs are necessary for analytics as the situation evolves,” stated Sara Clugy, Wellpath’s Outsourced Controller at GrowthForce. “Our team is constantly asking ourselves how we can adapt and improve to ensure Wellpath receives the most actionable data possible.”

Wellpath’s dedicated service team focuses on streamlining the accounts payable and accounts receivable processes to increase efficiencies as well as improve cash flow and reduce back office expenses. After designing an electronic invoice template and establishing GrowthForce’s online paperless bill payment system, the team introduced additional efficiencies, such as requiring electronic invoicing for all vendors as well as submission of a W-9 form by every contract worker prior to their first payment. “The new 1099 rules that came out of ObamaCare,” stated King, “force us to be more efficient so we’re not chasing down random contract workers for their W-9 form, which can severely complicate the year-end 1099 filing process. Our process automation makes tax season that much easier.”

The Wellpath team also performs a procurement audit to reconcile all vendor and contractor invoices, as well as double checks accounts receivable. If any discrepancies are uncovered, a member of the team contacts the vendor directly to rectify the issue on behalf of Wellpath, reducing the amount of time and effort Sam or Andy must spend managing their books so they can be freed up to focus on sales, and growing their business.

In addition to handling the daily, weekly and monthly financial tasks, the Wellpath team reconciles every Balance Sheet account each month. This level of accuracy and reliability is highly valuable in an audit situation, which placed CPA Pete Nelson, a Partner at LBB Associates Ltd., in the unique position of being able to complete Wellpath’s audit by the end of January in 2013.

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- Pete Nelson, CPA  
Wellpath External Auditor &  
Partner at LBB Associates Ltd.

“My time is more valuable serving as the client’s external auditor, not correcting inaccurate bookkeeping and out-of-date financials,” explained Nelson. “Because GrowthForce was handling Wellpath’s daily and

monthly bookkeeping tasks, as well as closing the books every month, I was able to complete Wellpath's audit by mid-January. This obvious efficiency is reflective of extremely effective accounting and reporting processes web based access to their work papers – and overall proactive communications between the representatives of Wellpath, GrowthForce, and LBB Associates Ltd.”

## The Outcome

### >> Scalable Solutions and Peace of Mind

With growth on the horizon, Sam Chase was clear about what mattered most to his Oil and Gas business: the ability to achieve the best ROI from his time and resources. Sam wanted access to a scalable finance function that provided real-time financial intelligence that allowed him to make strategic business decisions, without the unnecessary headaches and distractions that come with building an in-house accounting department.

By engaging GrowthForce to deliver a dedicated team of experts to design and automate Wellpath's QuickBooks accounting system as well as establish efficient processes, procedures and disciplined monthly close and reporting processes in a paperless, cloud-based environment, freed Sam up his time for more mission critical tasks and decision-making. Now, as his company continues to grow on an international scale, Sam explains he has “peace of mind knowing that Wellpath is operating with a highly efficient, streamlined and scalable accounting system that is prepared for continued growth.”

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- Sam Chase  
Wellpath Chairman & CEO

## GrowthForce Delivers The Financial Intelligence

*So Smart CEOs Can Focus On What Matters Most - Growing The Business.*

- QuickBooks® Accounting System Setup, Design & Optimization
- Dedicated Team Of Experts
- Internal Controls - Procurement Audits For Contractor Invoices
- Automated Paperless Bill Payment
- Industry Specific Financial Reporting
- Filing Of 1099s
- Year-Round Audit Ready Books
- CPA, CFO & Investor Friendly

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