

CASE STUDY



**Major Oil & Gas Exploration and
Production Unit Migrates to a New
Business Intelligence Platform**

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“We particularly like the tight integration with Microsoft Office for our monthly financial reports to the E&P Management Team. Previously, we had to print off tabs in 65 Excel workbooks, but now the information can be distributed as a Word document through the e-mail system or read online.” Client’s Senior Financial Analyst

One of the world’s largest oil and gas businesses needed to provide its financial analysts in Exploration and Production (E&P) with a more effective Group Financial Outlook (GFO) process (year end financial planning). The GFO process is a fundamental “in year” planning process within the organization; enabling the business to anticipate and manage any deviations from plan in advance of them occurring. Its existing GFO process was very spreadsheet-dependent and labor-intensive to prepare each month. With the need to turn information around in a few hours rather than days, E&P decided to invest in a Microsoft® technology based GFO solution. Altius Consulting, a Microsoft Certified Partner firm, worked closely with E&P senior financial analysts to replace the existing GFO system with Microsoft SQL Server™ for relational data storage and Microsoft Analysis Services for multidimensional analysis. Together, they provide the necessary relational and On-line Analytical Processing (OLAP) components for a fully-integrated Business Intelligence (BI) solution accessible by E&P’s analysts located around the world. The project has been so successful that the implementation of SQL Server and Analysis Services has been adopted by the client’s joint venture company where it is proving to be equally successful.

Client Profile

Country: United States

Industry: Oil and Gas

Overview: The Exploration and Production (E&P) segment of one of the world’s largest petroleum and petrochemicals companies, which has offices in 26 countries.

Business Situation: E&P needed to upgrade its GFO forecasting and planning system to give its financial analysts more timely access to information through the corporate intranet.

Solution: Altius Consulting—the E&P unit’s consulting partner for this important project—recommended Microsoft® SQL Server™ and Microsoft Analysis Services Business Intelligence platform with Reporting Services for web-based reporting and analysis and an Excel add-in for ad hoc reporting via Microsoft Office Excel.

Benefits :

- Saves \$1000, 000 in annual maintenance charges.
- Improves controls and audit trail
- Enables faster, more flexible group forecasting – and planning via the corporate intranet.
- Ease of integration with back-office.

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What's it about?

SQL Server Reporting Services provides users with a user-friendly way to navigate around their business information environment and gain a solid understanding of where their business is doing well and could do better.

Situation

Providing accurate and timely forecasting and planning information is essential in the Exploration and Production (E&P) segment. Market prices of oil and gas can and do fluctuate widely and production levels and resource requirements are under constant review.

The financial analysts need to have access to information across a wide range of metrics including financial, production, resources, and pricing. Information is updated regularly and quickly.

The client became acutely aware of the need to find a solution to replace its ageing OLAP based GFO solution which was not as flexible and scalable as it needed to be. Having looked at competing options from Hyperion, Oracle, and Microsoft®, the client turned to Altius Consulting, a Microsoft Certified Partner, for advice as to what solution they recommended given their need for rapid information turnaround and low cost of implementation and maintenance.

The Senior Financial Analyst, said: —We had an existing OLAP product, and built a systems infrastructure around it for a local audience. Everyone who used it was in the same building, but within 12 months from implementation we needed to extend the system to a broader audience and distribute it through the intranet. Unfortunately, the product we had did not give us a robust or scalable enterprise solution.”

The client wanted to provide up-to-date data to its offices in Hong Kong, Houston, Buenos Aires, Aberdeen, and London to ensure that the analysts could access information at the same time. Using a file based work around in its legacy system; the Senior Financial Analyst felt that there was a high likelihood of information being ‘out of sync’.

Solution

Altius recommended the new GFO solution be based on the Microsoft Business Intelligence platform using Microsoft SQL Server™ and Microsoft Analysis Services as the data storage and analysis engines. In addition Altius recommended Reporting Services as a web-based reporting and analysis tool.

SQL Server Reporting Services provides users with a user- friendly way to navigate around their business information environment and gain a solid understanding of where their business is doing well and could do better. Features such as drill-down and up, traffic lighting and graphs make it a very intuitive environment for the client's analysts to work in.

For ad hoc reporting and analysis, Altius recommended a Microsoft Office Excel Add-In that enables users to create reports ‘on the fly’ utilizing the power and functionality of Excel and Analysis Services.

In the Business Intelligence marketplace, Altius has a strong relationship with Microsoft. Noel Phillips, Principal Consultant, Altius said: —Microsoft has changed the price profile for OLAP technologies for good. Companies can now gain access to OLAP and relational database technologies for a fraction of the cost of just a couple of years ago.”

Microsoft Analysis Services is totally integrated with Microsoft SQL Server. Together these products have provided E&P with the necessary components for a fully integrated BI solution. Reporting Services produces reports and graphics that easily export to Microsoft Office products; the tool is extremely easy to use.

The Senior Financial Analyst added: “Reporting Services is a very robust enterprise application that fits in well with our Intranet. We particularly like the tight integration with Microsoft Office for our monthly financial reports to the E&P Management Team. Previously, we had to print off tabs in 65 Excel workbooks. Now the information can be viewed online, automatically distributed via email as a PDF or exported to Excel for further adhoc analysis”

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What they say

“To us, the Microsoft Business Intelligence platform provides an excellent performance management tool kit.

We are keen to extend its use beyond the Exploration and Production segment. We designed our implementation for it to be portable and to suit other business units within the company.”

Senior Financial Analyst

Benefits

Paperless Reporting for Management Information

Financial analysts in the Exploration and Production segment now have online reports produced in minutes, which previously took half a day to prepare and distribute in hard copy format.

The Senior Financial Analyst commented: —Whereas previously, we would have distributed all the reports by between 12:00 and 1:45 we now manage this by 9:30am. The key benefit for us is the suitability of the product for an enterprise of our size. It is a secure tool and easy to control.”

Lower Total Cost of Ownership

Ease of development and compressed timescales are two key strengths of the Microsoft Business Intelligence platform. What would take six elapsed months with older generation BI technologies took less than two elapsed months to deliver. In addition, the XLCubed product enables users to develop their own reports without the need for programming skills. The Senior Financial Analyst commented: —The cost per user is significantly lower than our previous solution. Implementing the Microsoft products has saved us around \$100,000 in annual maintenance costs. Cost reduction wasn't the only consideration but it is a 'nice to have”.

Ease of Integration

By standardizing on SQL Server and Analysis Services, E&P now finds it much easier to choose from a range of compatible third-party tools, because of the ease of integration with Microsoft technology.

Altius expects a number of solution-specific applications to be developed using the Microsoft .NET Framework; the .NET Framework is an integral component of Microsoft Windows® operating system that provides a programming model and runtime for Web services, Web applications, and smart client applications. The client is now in a position to take advantage of these leading technology developments going forward.

The use of SQL Server and Analysis Services has enabled the client to build a system which is much less vulnerable to hardware failure. The Senior Financial Analyst said: —While we had a form of disaster recovery before, the Microsoft solution allows us to use SQL Server replication procedures to back up the server and provide a more robust disaster recovery system.”

Improved Controls and Audit Trail

By choosing SQL Server as its relational database engine, E&P has improved the control and ease of auditing its data. The Senior Financial Analyst commented: —The combination of SQL Server and Analysis Services has enabled us to do things with our business processes that we couldn't do before. Ninety per cent of the data we capture is presented in Excel workbooks-- using automated load routines we are able to track the source of the data who loaded it, and when. The ability to create a comprehensive audit trail provides additional transparency and security around our critical forecasting processes.”

Potential to be the Toolkit of Choice throughout the Company

The client has introduced the GFO solution to its new joint venture, which is the 10th largest private sector oil company in the world.

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For further information

For more information about Altius Consulting services, call your local Altius Consulting office:

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If understanding your business better is a high priority, or you would just like to discuss what Business Intelligence and Performance Management options may work for your business, please contact us today.

About Altius

Altius helps companies better understand the data that drives their organizations. We are practitioners who have personally managed successful Business Intelligence initiatives. From this, we have developed a suite of products that helps you save time, reduce errors and quickly execute projects. At the end of the day, we help you make intelligent business decisions from your data.

Altius has the experience of over 500 project implementations, spanning companies in oil, gas, energy and utilities. Altius is head-quartered in Houston, Texas with a second office location in Anchorage, Alaska.

