

Case Study: Oil & Gas

Strategizing a roadmap for an oil and gas sector manufacturer

A new system consolidation roadmap that became a priority after a string of acquisitions helps a North American specialty manufacturer save money and streamline processes.

The challenge

Expanding through acquisitions is a sure sign your business is going places. But it can also create growing pains. That was the case with a leading specialist in tubular technology for the oil and gas industry. Its North American operation wanted to streamline operations and cut IT costs with a shared service center for finance and procurement.

But before it could create the center it had to somehow tie together various ERP systems it had inherited. The time was also ripe to streamline and automate a range of business activities that were still paper-based. Another benefit would be to release staff from troubleshooting, allowing them to concentrate instead on customer service and taking the business forward.

At a glance

After acquiring several companies, a North American specialty manufacturer of tube technology for gas and oil needed a roadmap to consolidate systems, save money and iron out suboptimal processes. Our team took an in-depth look at its business practices and systems, uncovering deep-seated issues and made a proposal on how best to solve them.

Outcomes

- Recommended automation as a way of freeing staff to concentrate on strategic activities
- Advised on how to improve reporting, analysis and simulation
- Identified 65% savings on IT running costs

Our approach

After a competitive pitch, we found out where the business was not operating to its full potential, benchmarked these functions against industry standards and made suggestions about how to improve outcomes for the company.

Our experts visited the company's five North American facilities and spoke to a range of staff in interviews and focus groups. We studied the company's documentation and got to know the client's processes.

Throughout the research process, we employed our unique "Quadra D" (define, discover, deep dive and deliver) framework, which includes:

- An as-is analysis
- Selected solution details, including functional and technical architecture, budget and plan
- Updated business cases
- A roadmap execution plan

Our investigations confirmed that the client's concerns about error-generating, paper-based and non-optimal processes were well founded.

As an example, we found that the sales teams were spending more time chasing down problems than cultivating new clients, and the finance staff were too involved on day-to-day firefighting to be able to focus on long-term forecasting.

Business outcomes

Our solution consolidated the company's four ERP systems. Due to budgetary considerations, we suggested an upgraded SAP-based architecture that would be able to deliver:

- Decreased IT costs with a two-tier ERP solution and by decommissioning multiple custom applications
- Increased productivity and flexibility of staff by using automation to replace manual ad hoc processes
- Improved reporting and analysis via a common corporate data warehouse
- Valuable data insights by bringing business units together
- Advanced planning and simulation capabilities

The proposals are now being reviewed for incorporation into the company's future strategy.

About Cognizant

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