

## POWERWELL SERVICES

### SAP BUSINESS TRANSFORMATION STUDY

#### AT A GLANCE

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Industry</b>                   | Oil and gas          |
| <b>Revenue</b>                    | US\$300 million      |
| <b>Employees</b>                  | 1,400                |
| <b>Location</b>                   | Houston, Texas       |
| <b>Web Site</b>                   | www.exprogroup.com   |
| <b>SAP® Solution and Services</b> | SAP® ERP application |
| <b>Implementation Partner</b>     | EnterSys Group       |

A leader in flow management, PowerWell Services Inc. provides a multitude of technologies and services used for oil drilling and production throughout 40 countries. When the company was formed in 2004, management had very clear goals – grow PowerWell rapidly on a global scale, drive innovation, expose niche products worldwide, and prepare it for public offering or sale. By 2006, PowerWell had grown by more than 400%, with five acquisitions under its belt. During the same year, it became a part of The Expro Group.

#### Key Challenges

- Roll out SAP® enterprise resource planning software to subsidiaries (with undefined requirements) located in 22 countries
- Close books in 90 days after company's inception
- Anticipate and meet business needs of diverse operations, including those in remote locations
- Integrate all acquisitions onto the same platform
- Train 30% of all employees in the use of SAP software

#### Why SAP Was Selected

- A perfect fit for small businesses and midsize companies
- Scalable functionality
- Support for rapid growth through acquisitions
- Standardized, integrated processes, enabling the company to prepare for public offering or sale
- Minimal need for training, due to existing knowledge of SAP software in 50% of the company
- Easy maintenance of components; inexpensive upgrades

#### Implementation Best Practices

- SAP software out-of-the box with minimal customization
- Use of SAP ASAP Focus methodology to reduce risk
- Leadership from senior decision makers
- A phased – but quick – implementation, sustaining momentum and interest across the organization
- Alignment of all parties around scope, timeline, and budget, driven by EnterSys Group
- Hands-on training at a central location

#### Low Total Cost of Ownership

- 90-day rollout to business areas, including finance, controlling, asset management, sales and distribution, material and inventory management, and procurement
- 1.5% to 1.7% of revenues used for IT strategy and implementation
- Reduction in IT costs with SAP Hosting services
- 2 full-time equivalents to support global shared services

#### Financial and Strategic Benefits

- Enhanced ability to manage the company during period of rapid global growth (400% in 2 years)
- Easy integration of acquisitions (5 acquisitions in 2 years)
- Greater ability to comply with legal and tax requirements across 40 countries
- Clear view of information organization-wide, with standardized reporting for managers and decision makers

#### Operational Benefits

| Key Performance Indicator                    | Impact   |
|--|--|
| Time required for monthly close              | 5 days at country level/<br>6 days at company level<br>(versus ~10 days at peer companies) |
| Time required to consolidate and report data | ~50% faster  |
| Compliance and tax filing costs              | Significant savings  |



**“SAP software enables easy integration of corporate acquisitions. With a single vision of the truth across all regions, product lines, and departments, everyone is focused on the same key indicators.”**

Jim Claunch, Former CFO, PowerWell Services Inc.

**“Even though I had 10 years of experience managing SAP projects, I was skeptical that we could ensure a successful implementation in 90 days. What I learned is that SAP software can be implemented out of the box without any modifications and expanded when needed.”**

Sheree Fields, CIO, Expro International Group

### **Building an Efficient, Global Foundation for Immediate Growth**

Starting a company is no small task. Not only does your workforce and business model need to be competitive, your IT landscape must be able to accommodate growth and changing business needs. Since the marketplace presents a plethora of options, the task of selecting the right software platform can be rather arduous.

PowerWell Services Inc. – a leader in flow management for the oil and gas industry – is no stranger to this challenge. When the company was first formed, PowerWell’s leadership team realized the need for a highly integrated, robust software system, especially in light of the company’s ambitious plans for organic and acquisitional growth and expansion. PowerWell wanted a scalable software solution that required minimal customizations, allowing it to integrate each acquisition in a short period of time. Also important: software that would support it over the long run.

### **Starting from Scratch with SAP® Software**

Since PowerWell was not yet “open for business,” the challenge of finding the right application was all the more difficult. Not only were the company’s needs somewhat unclear, PowerWell had to deliver the software to offices located in 22 countries across six continents. However, management knew its search had ended when it learned about the scalable nature of SAP® enterprise resource planning software and how quickly and easily the application could be implemented.

PowerWell chose to leverage a phased implementation and adopted the SAP ASAP Focus methodology. Based on thousands of previous SAP projects, this methodology streamlines the implementation process by providing each customer with a specific road map. Using SAP ASAP Focus, PowerWell was able to rapidly implement the software without any

significant downtime. Within three months, three phases of the implementation were completed while employees received hands-on training. In 90 days, the SAP application was rolled out to PowerWell’s workforce (which grew from 250 to 1,000 in the following six months).

After the initial implementation, PowerWell made five acquisitions and had each new subsidiary up and running on the SAP application within three months. The company also found it surprisingly easy to implement the software in its remote locations – a definite plus in those areas where maintenance is not always readily available.

PowerWell was also able to meet most of its requirements with the standard software, right out of the box, precluding the need for any extensive modifications.

### **Staying Ahead of the Competition with Vision and Foresight**

Running the SAP software, PowerWell now has the transparency it needs to keep track of all its operations worldwide, which span some 40 countries. For example, the company can more easily determine the health of the business, find any anomalies, determine how to best mitigate issues as they arise, and track performance in real time. With common data and a consistent set of business processes, PowerWell can also ensure seamless operations across its varied locations.

After PowerWell was purchased by The Expro Group in 2006, Expro decided to move its entire organization from Oracle to SAP software. Expro wanted a holistic solution that would allow easy integration of disparate applications onto one platform. By November 2006, Expro had converted to the SAP platform in North Africa and the Middle East – the first of five regions. The Asia Region went live in April 2007 and West Africa is scheduled to follow in May 2007. Powerwell’s success has given a strong direction for the rest of the company.