

SAP Customer Success Story Oil and Gas



“ . . . SAP ERP has given us a more integrated software foundation. We can now reduce maintenance costs and take advantage of new functionality as we grow.”

Adel Aldoulab, SAP Hydrocarbons Management Division Head, Saudi Aramco

AT A GLANCE

Company

- Name: Saudi Aramco
- Location: Dhahran, Saudi Arabia
- Industry: Oil and gas
- Products and services: Hydrocarbon exploration, production, refining, marketing, and international shipping
- Employees: 52,000
- Web site: www.saudiaramco.com

Challenges and Opportunities

- Managing a 24x7 global business across a wide range of operational areas
- Ensuring operational excellence

Objectives

- Upgrade to a new software foundation without disrupting daily business
- Demonstrate ease and high value of upgrade to other divisions

SAP® Solution and Services

- SAP® ERP application
- SAP Safeguarding for Upgrade portfolio of services
- SAP Active Global Support organization

Implementation Highlights

- Took advantage of Saudi Aramco's close working relationship with SAP Active Global Support
- Completed 1 month ahead of schedule

Why SAP

- Represents a trusted partner with proven commitment to Saudi Aramco's business success
- Provides functional enhancements to SAP ERP that create real competitive advantage

Benefits

- Reduced maintenance costs
- Enhanced integration and improved functionality, allowing Saudi Aramco to seize new opportunities as they emerge
- Enabled more flexible application deployment
- Improved collaboration through new portal capabilities supported by the SAP NetWeaver® platform

Existing Environment

SAP R/3® software (functionality now found in SAP ERP)

SAUDI ARAMCO

World's Largest Oil Producer Upgrades to SAP® ERP

When you're the world leader in crude oil production, with operations spanning the globe, you want to make sure that you're constantly at the top of your game. Maintaining smooth operations across widespread aspects of the business is critically important. But equally important is your ability to respond to emerging challenges with confidence that your IT infrastructure can support your evolving objectives and strategy. This is why Saudi Aramco – based in Dhahran, Saudi Arabia – chose to upgrade to the latest release of the SAP® ERP application.

Because of its unique position as the organization that drives the Saudi Arabian industrial sector, Saudi Aramco maintains exceptionally vast operational activities. Extending beyond the core activities required for effective management of the hydrocarbon business, operations also include healthcare administration, the management of a growing fleet of aircraft, telecommunications, real estate, and much more. A longtime SAP customer, Saudi Aramco depends on enterprise resource planning software from SAP to help it manage activities across this staggering array of operations – with each operational area running on its own dedicated box. Saudi Aramco decided to focus its upgrade project on the hydrocarbon business first. From there, it plans additional upgrades that will leverage lessons learned.



Lower Maintenance Costs and New Functionality

One of those lessons had to do with the scope of the project. “The upgrade to SAP ERP was very much a technical upgrade,” says Adel Aldoulab, SAP hydrocarbons management division head at Saudi Aramco. “Most of the work took place in the background. Virtually none of our 52,000 users were impacted. Without disrupting our user base, our upgrade to SAP ERP has given us a more integrated software foundation. We can now reduce maintenance costs and take advantage of new functionality as we grow.”

On both counts – lower maintenance costs through improved integration and new functionality to support future growth – one of the prime enablers is the SAP NetWeaver® platform, on which SAP ERP is built. While helping to bring together people, information, and processes in a flexible manner, SAP NetWeaver also supports critical capabilities such as service-oriented development and portal-based collaboration.

“We’re particularly interested in the portal functionality,” says Aldoulab. “Moving forward, we’ll be looking harder at ways in which to develop more Web-based applications that can be quickly deployed through a portal infrastructure and extended to our partner network to enhance collaboration and share information in real time.”

SAP Active Global Support Helps Ensure Minimal Downtime

One of Saudi Aramco’s primary objectives for the upgrade project was to minimize disruptions to the business. “We’re a 24x7 organization,” Aldoulab explains. “At any time of the day, anywhere in the world, we’re moving product and executing transactions.”

In other words, IT above all needed to minimize downtime in order to satisfy the overriding demands of the business. To this end Saudi Aramco depended significantly on the SAP Safeguarding for Upgrade portfolio of services, provided by the SAP Active Global Support organization.

“SAP Active Global Support worked closely with us throughout the project, helping us define requirements, draw up plans, and optimize the environment to ensure rapid implementation.”

Adel Aldoulab, SAP Hydrocarbons Management Division Head,
Saudi Aramco

“SAP Active Global Support worked closely with us throughout the project, helping us define requirements, draw up plans, and optimize the environment to ensure rapid implementation,” says Aldoulab. “Whenever we had a question or needed to resolve an issue, they responded almost immediately. That helped keep the project on track, allowing us to finish one month ahead of schedule.”

The testing phase was critical to project success. With the objective of reducing downtime during go-live, the upgrade team at Saudi Aramco performed five full simulation upgrades in its test environment in order to streamline procedures and optimize resources. “During the test phase,” Aldoulab says, “SAP Active Global Support collaborated extensively with our upgrade team, helping us optimize hardware configurations to speed up processing and fine-tune our upgrade procedures to limit system downtime.” In the end, Saudi Aramco was able to reduce projected downtime from 20 hours to just 12.

Successful Go-Live

The upgrade team at Saudi Aramco scheduled the 12-hour go-live event to run through the night and early morning during weekend hours. To ensure operational continuity during this time frame, Saudi Aramco extended a scaled-down version of the older software to a limited number of employees and partners so that they could record critical data that would then be transferred to SAP ERP after go-live.

“The actual install for the upgrade took us just nine hours and was rather uneventful,” says Aldoulab. “From an IT manager’s perspective, that’s a very good thing.” The remaining three hours of the go-live were dedicated to a real-time system check. “SAP Active Global Support and SAP experts for the oil and gas industry stood by on call to provide advice throughout the entire upgrade and system check process,” Aldoulab recalls. “They worked with us in a very efficient manner and helped ensure a successful go-live experience.”

Moving Forward

While it is too soon to quantify some of the benefits of the upgrade, Saudi Aramco has already estimated that it will save nearly US\$2 million in maintenance costs over the next three to four years. “My IT operators are telling me already that the software is exceptionally easy to work with,” says Aldoulab.

Based on the momentum generated by this upgrade, Aldoulab expects other divisions within the larger Saudi Aramco family to move forward with their own upgrade projects in the not-too-distant future. “SAP ERP is a much more effective, easier-to-use software foundation,” he says. “And with SAP NetWeaver in place, we’ve really opened up some doors for ourselves to move the business forward and take advantage of some of the most promising technology available today.”

www.sap.com/contactsap

THE BEST-RUN BUSINESSES RUN SAP™



50 084 270 (07/04) Printed in USA.

© 2007 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.