

Case Study: Pan Ocean



Overview

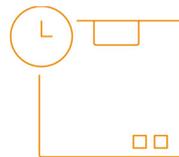
Pan Ocean didn't have a fully functioning accounting system, and was instead using local bank ledger software, with no capacity for asset management. The company recognized the need for a change in order to improve operational efficiencies with business growth.



Greater transparency



Reduced process cycle times



Automation of procurement and maintenance processes



Time and cost savings

Objective

To implement a functioning accounting system and asset management solution in order to improve business processes.

Solution

Infor SunSystems and Infor EAM with MaxiSun integration interface

Organization

Pan Ocean Oil Corporation (Nigeria) Ltd. has experienced growth since its inception in 1973. They are an indigenous company currently in a joint venture relationship with the national oil company of Nigeria (NNPC). The company is also one of the leading exploration and production companies in Nigeria.

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Tony Calderley, IT Consultant to Pan Ocean, had previously worked with Infor SunSystems and said this was the company's product of choice from the onset.

"SunSystems sells itself on being a single ledger, multi-currency system and that's hugely important. We didn't need an expensive or cumbersome solution, we wanted something simple and flexible that was multi-currency, and SunSystems met that need," he said. However it was not such a straightforward choice when it came to selecting an asset management system.

"Originally we were looking at Maximo, however when Sapphire introduced Infor EAM we preferred this solution in terms of cost and flexibility. Infor EAM allows Pan Ocean to carry out straightforward configuration changes and data migration activities while Sapphire consultants perform the more complex technical work," Tony said. For Tony, transparency, faster process cycle times and cost savings are the major advantages of the new systems.

"It's important to remember that Pan Ocean is a business that's come from spreadsheet

and paper-based processes. So previously if a draft purchase order was raised it went around the cycle for approval and then was issued, but once it left each desk we had no visibility over its progress. However now we can track transactions in the system, which provides transparency and control.

"The system also enables the proper separation of duties and robust business controls – which is important in the environment we work within. Other efficiencies include improved and more reliable execution.

"The Infor EAM side handles asset management, materials management and enterprise wide procurement, so we can now match invoices, purchase orders and delivery notes; it sounds fundamental but we couldn't do that consistently before," he said.

The importance of asset management

In addition, the company is experiencing cost savings, which Tony said primarily stem from Infor EAM's ability to keep track of inventory, plan maintenance and manage procurement, thereby avoiding costs Pan Ocean would otherwise incur.

"Due to the remote locations where we operate, we need to order equipment and critical spares well in advance, often as much as six months

lead time is required. For example if we're running a family of large engines in a jungle location, we need extra equipment or critical spares and if they're not ordered early enough, then in order to get them onsite in time we would have to air freight them.

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The EAM system also provides strong support for planned preventative maintenance, which drives down operational costs and improves equipment reliability and longevity. Infor EAM is simple, very powerful and easy to configure. If Pan Ocean is rolling out the system to a new project, Tony's team can perform simpler tasks such as report writing and user access control, which isn't possible with a more complicated system, and results in a cheaper and quicker process.

In terms of working with Sapphire, Tony said the toolset and staff services were two key reasons Pan Ocean chose the company.

“There aren’t many EAM providers in the world and we wanted an asset management solution, but another key selling point for Sapphire is the helpful attitude of the consultants. The software consulting world may seem straightforward, but it’s very different undertaking this process in West Africa as opposed to the city of London. The fact that Sapphire have staff who understood the challenges was really important, as you need flexibility. The consultants are going to come across some unusual situations and they have to react quickly, so having that string to your bow is absolutely critical.

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“Also the company is a good size, meaning you get personal service and attention, and the leadership of Sapphire understands where Pan Ocean is going. We are in this for the long haul, so this knowledge avoids

hiccups along the way. I would recommend Sapphire for the quality of the solutions, the quality of consulting and their flexibility,” he said.

Recommendations to others

According to Tony, the more tightly a business can define and agree its business requirements the better.

“Figure out upfront exactly what functionality you want to use and how, as this will save you a lot of hassle before you get into the nitty gritty of the project roll-out,” he said. He also stressed there are additional challenges to consider if your organisation operates remotely.

“If you are based in London there’s a standard software process and implementation, but if you’re not, you have to sign up to the idea of remote support, so many things are done over the phone, across different time zones.

“Sapphire has been very flexible so it hasn’t been a problem, but our sites are in Nigeria, while I am based in New York, so there aren’t massive windows of opportunity to work together. One of the challenges of being abroad is it takes considerable effort to maintain momentum and commit to quality interactions with your provider.

“Sapphire will provide knowledge and expertise but you need dedicated strength on the ground to make it happen, and talking about how you manage this can be as important as the technology itself,” he said.

Pan Ocean also utilizes MaxiSun, a Sapphire developed interface between Infor SunSystems and Infor EAM. Both systems are meeting the company’s expectations but there is still a lot of functionality yet to be utilized, and the existing system requires rolling-out to other divisions of the business.

“Pan Ocean may expand its business – and this is where we will see more benefits. As the business expands we can implement Infor EAM and Infor SunSystems into new areas over the next few years. For example Pan Ocean might spend several million dollars on drilling new oil wells or undertaking planned intervention in existing wells. Pan Ocean may be able to utilize Infor EAM to save 10-15% or more, by focusing on areas of major capital and operational spend,” he concluded.

Tony has also kindly offered his services to similar businesses who would like advice on the challenges faced when implementing a financial or asset management solution.