

Case Study : Perenco Holdings

Highlights

Industry:

Oil exploration and production

Geography:

International, HO London

Information needs:

Budgeting and reporting

Platform:

Windows / Citrix

Solution:

IBM Cognos TM1

Benefits:

Consistent worldwide budgeting, reporting and analysis across the business



The Organisation

Perenco Holdings is an independent oil and gas exploration and production company.

Challenges faced

Delivering accurate and timely information to head office and country managers was a fundamental challenge given the geographical distribution of the business that included; Africa, Middle East, South America and the UK.

Perenco's reporting manager, Kim Kallmeyer explains "Staff spent enormous amounts of time cutting and pasting data from various spreadsheets and data dumps to provide management information. Asking for additional analysis always proved to be frustrating due to the time it would take to re-cut the data".

"Despite having a consolidation tool, we found that it was too restrictive and not engineered to support complex

reporting needs. Also, due to overseas locations speed of connectivity to central consolidation system was a real problem".

Strategy followed

Working with country managers, IT and Finance, the financial reporting team embarked on a path to deliver a centralised consistent database for reporting and analysis.

As part of the selection process Perenco reviewed a number of software solutions and implementation partners to deliver the requirement. As a result, it selected Cognos, an IBM Company, TM1 software and ICit business intelligence as certified implementation partners. One of the first recommendations was to decommission the consolidation tool and to build the functionality in TM1 – without the constraint of a limited number of dimensions that were inherent in the legacy tool. This decision proved to be a critical success factor in delivering the final solution that would satisfy global business reporting requirements.

The next steps involved creating the business team (supported by ICit) and starting the development phase to build a number of reporting models. The team built the UK model first and then rolled this out to the overseas offices, making local amendments where necessary. The technical solution required a number of servers and the power of TM1 replication functionality to ensure that data models were synchronised across the world.

Kallmeyer observed “What impressed us about the solution was its scalability and flexibility. We have reasonably complicated allocation routines which needed to be embedded in the reporting solution. The power of IBM Cognos TM1 rules ensured that we could develop the system to accurately reflect our business model and provide management with the information they needed to review operational performance”.

“We have developed a very close working relationship with ICit business intelligence and they have invested time to really understand our business and our goals. They have helped us not only specify the original models but have supported us as the business has grown and thrown up new challenges. Having embarked on the reporting strategy to use IBM Cognos TM1 worldwide, we are highly satisfied with both the technology and the quality and speed of implementation”.

Benefits realised

The primary benefit is the speed with which reporting can be delivered - especially group consolidated figures.

There has been a significant reduction in Excel based data manipulation such that the controllers spend more time on value added activity rather than data management...they have become business support in the truest sense.

Other benefits include;

Since implementing IBM Cognos TM1 the completion of consolidated monthly management reports has been reduced by 7 – 8 days. Review of data at Head Office is now easier as detailed transactional data can be accessed all in one database.

Data submissions from our worldwide operations used to be in the form of Excel spreadsheets that had to be combined to produce the necessary reports. This was very

time consuming. Using IBM Cognos TM1 has enabled the process to be standardised, reducing errors in data capture and increasing the quality and timeliness of the data. The so called hidden cost of the finance function has been dramatically reduced.

Finally, despite the fact that IBM Cognos TM1 uses Excel as its presentation layer, the added security, process and centralised database features of IBM Cognos TM1 has minimised the dependence on Excel as a reporting solution, whilst retaining the benefits of producing analysis on the fly within a familiar environment for users of the system.

Moving forward

As the use of IBM Cognos TM1 matures further development on a local subsidiary basis is expected, increasing the pro-activity of the finance department.

About ICit Business Intelligence Limited

ICit business intelligence ltd is a leading independent business performance management consultancy. As IBM Cognos partners with a multi-disciplined team of finance and systems implementation experts, they work with businesses to deliver bespoke solutions based on world class standard software.

Professional Services Director, Mark Bodger commented “Perenco presented IBM Cognos TM1 and ICit with a challenging list of requirements, not least the ability to capture data from users in remote areas such as Cameroon and Gabon. Despite the technical challenges, the forecasting and reporting solution that ICit and Perenco have developed together has transformed Perenco’s performance management capability. The system delivers a trusted central data source that business managers are confident to use as the basis on which to make decisions”.

Kim Kallmeyer, Reporting Manager, Perenco Holdings

“We were struggling to respond to the reporting demands of the business since we were using the wrong tools and indifferent 3rd party advice. ICit were instrumental in helping us see the benefits of IBM Cognos TM1 and subsequently delivering the solution. I would thoroughly recommend ICit for their professional, friendly and practical advice.”