

DRIVING RAPID GROWTH

Partnering with SYSTIME, Weatherford uses JD Edwards solutions to support expansion around the globe.

Back in 2001, Weatherford, one of the world's largest oilfield services companies, was beginning to pursue an aggressive growth strategy that would include numerous acquisitions around the globe. And in nearly a decade, the company has executed that strategy with great success, with annual revenues rising from about US\$1.5 billion to nearly US\$10 billion. They plan to grow to US\$20 to US\$25 billion in four to five years. Today, the Houston-based company (NYSE: WTF) has operations in more than 800 locations in 100 countries, and provides advanced products and services that span the drilling, evaluation, completion, production, and intervention cycles of oil and natural gas wells.

When Weatherford's growth plans were first being laid out, however, that was all in the future—and the company's IT group had one clear concern. "We understood the goals of

the company for growth and expansion, and we had to determine how we were going to be able to support those goals," says Michael Dove, Vice President of Information Technology at Weatherford.

Like many companies, Weatherford was supporting its work with a fragmented IT landscape, with different facilities and locations often having different systems. "That caused problems," says Dove. "For example, we had some 65-plus financial systems, our distribution systems were disparate, inventory didn't talk to the general ledger system, part numbering was inconsistent from system to system and country to country. Getting a view of the supply chain across the organization was next to impossible."

Such disconnects made it difficult to operate efficiently, or drive and share process improvements. It also made it harder to weave newly acquired companies into the Weatherford organization in a timely manner. In short, the IT status quo was a serious potential roadblock to the company's growth strategy. In response, Weatherford decided to shift to a more consistent approach, using Oracle's JD Edwards solutions as

a standard, core ERP system. The company partnered with SYSTIME to implement a single-instance that encompasses the vast majority of Weatherford's business activities. The JD Edwards system—and SYSTIME's expertise, in JD Edwards and proven Global Delivery Model, and SYS-on-TIME™ methodology—gave Weatherford a companywide solution that could be rolled out globally. The result was a platform that would support rapid growth—and enable Weatherford to operate with an IT budget that, as a percentage of revenue, is less than 50 percent of the industry average.

"Overall," says Oracle's Lyle Ekdahl, Group VP and General Manager of JD Edwards, "the combination of Weatherford's IT, SYSTIME, and JD Edwards has been highly effective. Bringing together the right vision, the right skills, and the right software has helped create solid value and a clear return on investment for Weatherford."

BUILDING A GLOBAL FOUNDATION

For Weatherford, the move to JD Edwards solutions represented a significant effort involving a new technology for the company—and it would have to be done on a tight budget. To help ensure consistency and efficiency in its standardization initiatives, the company created a centralized project

management office. And to complement its in-house skills, it leveraged SYSTIME's Global Delivery Model and specialization in JD Edwards. "Weatherford saw early on that a combination of onsite and offshore resources could be valuable in meeting budget constraints—long before the recession," says Millind Joshi, Vice President of Client Services at SYSTIME. "Mike Dove and his team had a pioneering view, recognizing that an onsite and offshore model could not only cut costs, but also accelerate delivery and help support the company's growth over the long run."

Weatherford and SYSTIME worked together throughout the initial JD Edwards implementation. As the system was rolled out to approximately 70 countries and 800 locations—including acquired companies—around the world, that relationship continued and grew over time. "Early on, SYSTIME was essentially brought in only to assist and offer expertise in JD Edwards on a small scale," says Dove. "As we worked, though, they gained extensive expertise in our systems and quickly learned our business processes, culture, and environment. As a result, we started turning over entire implementations to SYSTIME—efforts that they led with very little if any Weatherford input."

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—Mike Dove, Vice President of Information Technology, Weatherford

"Our work with Weatherford has grown into a strategic relationship that includes dedicated SYSTIME teams throughout the world that are focused exclusively on Weatherford," says Vishal Grover, President and CEO of SYSTIME. "We have been pleased to be part of Weatherford's growth vision. Their need for a global, common system has fit perfectly with SYSTIME's proven SYS-on-TIME™ methodology and our Global Delivery Model." Today, the company's JD Edwards implementation is one of the largest in the world, with more than 8,000 users working from single-instance application. "As the company has grown, we've been able to rapidly implement sites onto the JD Edwards platform, and to deliver a seamless view into the supply chain," says Dove. "If you're entering a sales order in one location, you're using the exact same program as Weatherford employees entering sales orders in other locations. Purchase orders, inventory, everything—you're running the exact same program regardless of what region of the world you are in."

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RAPID GROWTH, COST-EFFECTIVE OPERATIONS

A decade after its JD Edwards implementation began, Weatherford's growth strategy has clearly been effective. "Regardless of how you measure our growth—revenues, headcount, inventory, locations—Weatherford is about five times larger than it was nine

years ago," says Dove. And the IT group and JD Edwards solution have kept pace with this change, which has included both internal growth and more than 250 strategic acquisitions. It has provided the tools for growth and a consolidated platform that makes it easier to bring new companies on board quickly, reducing the time and effort involved in acquisitions—a key success factor in the company's growth strategy.

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"Having everybody on a single global instance has definitely helped us from a management perspective," continues Dove. The standardized approach also brought greater flexibility to IT, which is important in the dynamic oil and gas industry. "It helps us respond to

the business, to be better able to meet their needs," he says.

The ERP system has also proven to be highly cost-effective, in part because of the JD Edwards software's ease of management, and in part because of the mix of IT and operational skills available to support the system, both in-house and at SYSTIME. As a percentage of revenue, Weatherford's IT budget is approximately 50 percent of the industry average. What's more, Weatherford operates a few SAP systems in select locations, and the company has found that its per-user costs for the JD Edwards solution are only about 30 percent of its per-user costs for SAP. According to Dove, about 80 percent of the company's business is run on JD Edwards solutions and about 20 percent on SAP. "We've got five times more users on JD Edwards, yet the actual cost of operating those two systems is essentially the same," he says.

Today, Weatherford's work with JD Edwards software continues, and so does the company's relationship with SYSTIME. In addition to implementation and project management, SYSTIME now

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provides cost-effective offshore support for the ERP application and has taken on the operation of Weatherford's U.S. accounts payable operation on a business-process-outsourcing basis. Indeed, SYSTIME today is an end-to-end partner with Weatherford, providing services in areas such as development, help desk operations, and project management, as well as support for the company's e-mail systems. In addition, SYSTIME is helping Weatherford implement Oracle Business Intelligence Suite, Enterprise Edition Plus to receive the full benefits of dashboard and executive reporting.

"The relationship with SYSTIME has expanded beyond the JD Edwards implementation, and we've reached out to them in numerous areas to help us scale up and scale down our IT operations as the business environment requires," says Dove. Meanwhile, as Weatherford continues to grow and pursue increased efficiency and productivity, its use of JD Edwards solutions is expected to grow as well. "And," says Dove, "SYSTIME will continue to be a key player in helping us."

SYSTIME is the largest JD Edwards practice globally, and an Oracle Platinum Partner.

For more information on the company and its services, contact info@SYSTIME.net or visit www.SYSTIME.net

