

TGS-NOPEC Geophysical Company

S/4HANA Greenfield Implementation

SBN Conference,
24.10.2019



- ▶ Line Molberg

- ▶ System and Business Process Controller in TGS-NOPEC
- ▶ Role in the project: Solution architect and process owner of sales



- ▶ Håkon Bekkestad

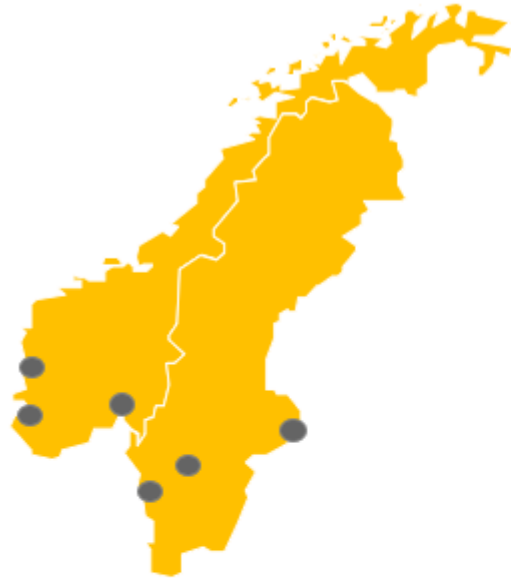
- ▶ Solution architect and FI/CO consultant in EY Skye
- ▶ Role in the project: Solution architect and process owner of project accounting



Agenda



- ▶ Intro – EY Skye
- ▶ Intro – TGS-NOPEC Geophysical Company
- ▶ The Project
 - ▶ Scope and Timeline
 - ▶ Challenges
- ▶ The Solution
- ▶ Experiences Going Live with SAP S/4HANA
- ▶ TGS-NOPEC Going Forward



Established in

2010

NOK

195 mill

turnover in 2017

Achievements

2018 SAP EMEA North Partner Excellence Award – category new partner

2015 IBM business partner of the year

2014 Gazelle winner

IBM Gold
Business Partner



SAP VAR Partner &
SAP Service Partner



100 employees in Norway

40 employees in Sweden

12 nationalities

SAP S/4
HANA

Full-stack SAP provider

IBM
Maximo

Watson, BI, Mobility, IoT,
Machine Learning, UX, AI

Global SAP coverage



50+countries

EY Skye are now part of EY
Globally

TGS-NOPEC Geophysical Company



Worlds largest
geoscience company



Listed on Oslo Stock
Exchange



Asset light – multi
client business model



Main office in Oslo
and Houston



~600 employees plus
200-1000 contracted
fieldworkers



Market Cap: ~\$3.0
billion

- ▶ The new ERP system was supposed to replace:
 - ▶ Microsoft Dynamics Navision 2009
 - ▶ Not supported per 01.01.2019
 - ▶ Manual and time-consuming tasks due to inherent limitations and challenges with the current systems
 - ▶ Heavy use of Excel
 - ▶ Hyland OnBase
 - ▶ TGS-Specific Order Systems
- ▶ The new ERP system should cover the following business processes and associated modules:
 - ▶ Client contract administration (sales orders)
 - ▶ Intercompany
 - ▶ Financial library (project) management
 - ▶ General ledger
 - ▶ Accounts receivable
 - ▶ Accounts payable: Incoming invoice and payment
 - ▶ Fixed assets
 - ▶ Budgeting & Reporting
- ▶ **SAP S/4HANA was chosen as the new ERP solution**

The Project – Scope and Timeline

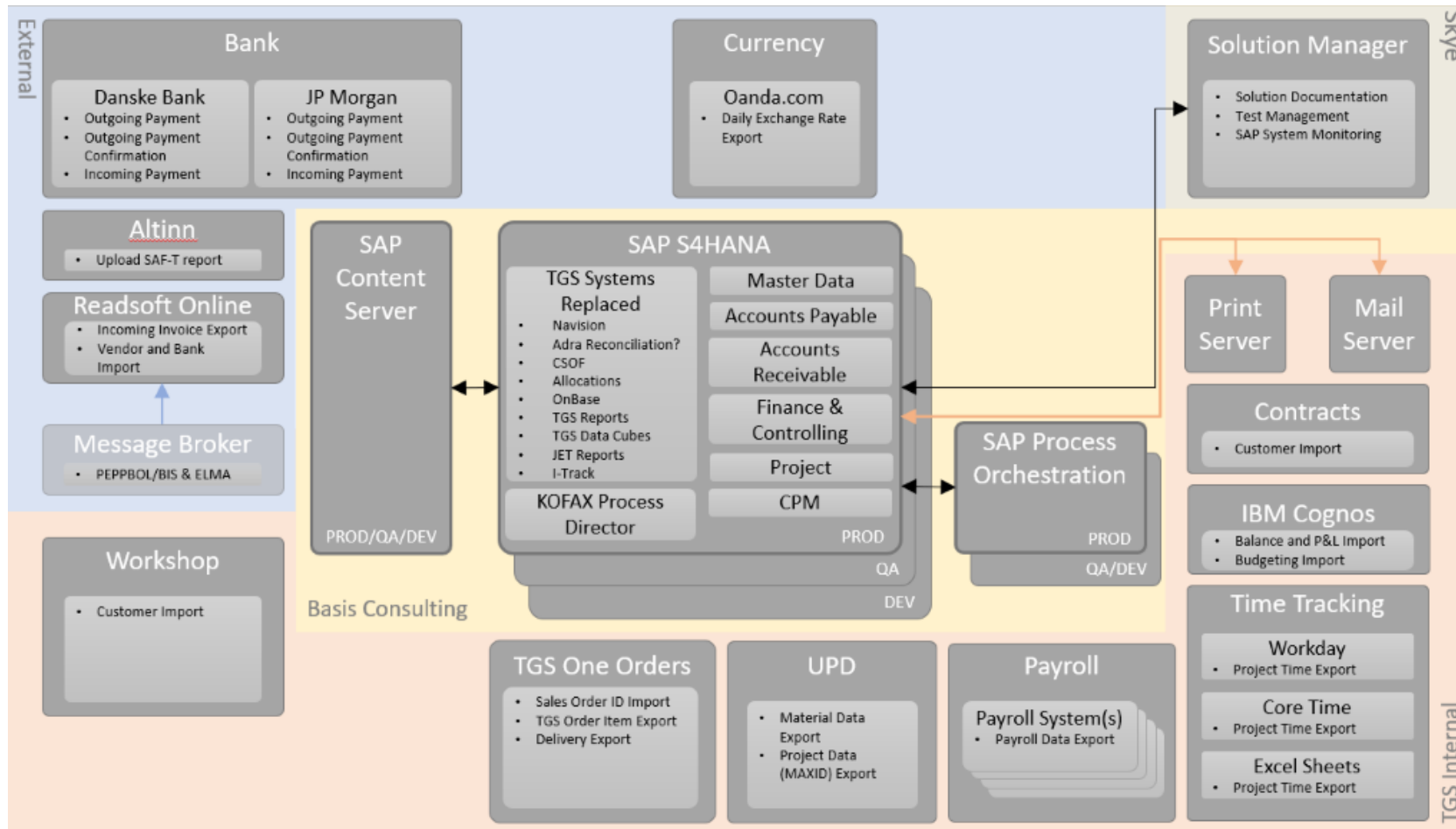
- ▶ SAP S/4HANA 1709 On-Premise version
 - ▶ Sales & Distribution (SD)
 - ▶ Project System (PS)
 - ▶ Commercial Project Management (CPM) incl. Analysis of Office
 - ▶ Finance & Controlling (FI/CO) incl. Kofax Workflow

- ▶ SAP Process Orchestration (PO)
 - ▶ Cloud version does not support connecting to other local on-premise systems
 - ▶ No limitations on PO on-premise connecting to other systems

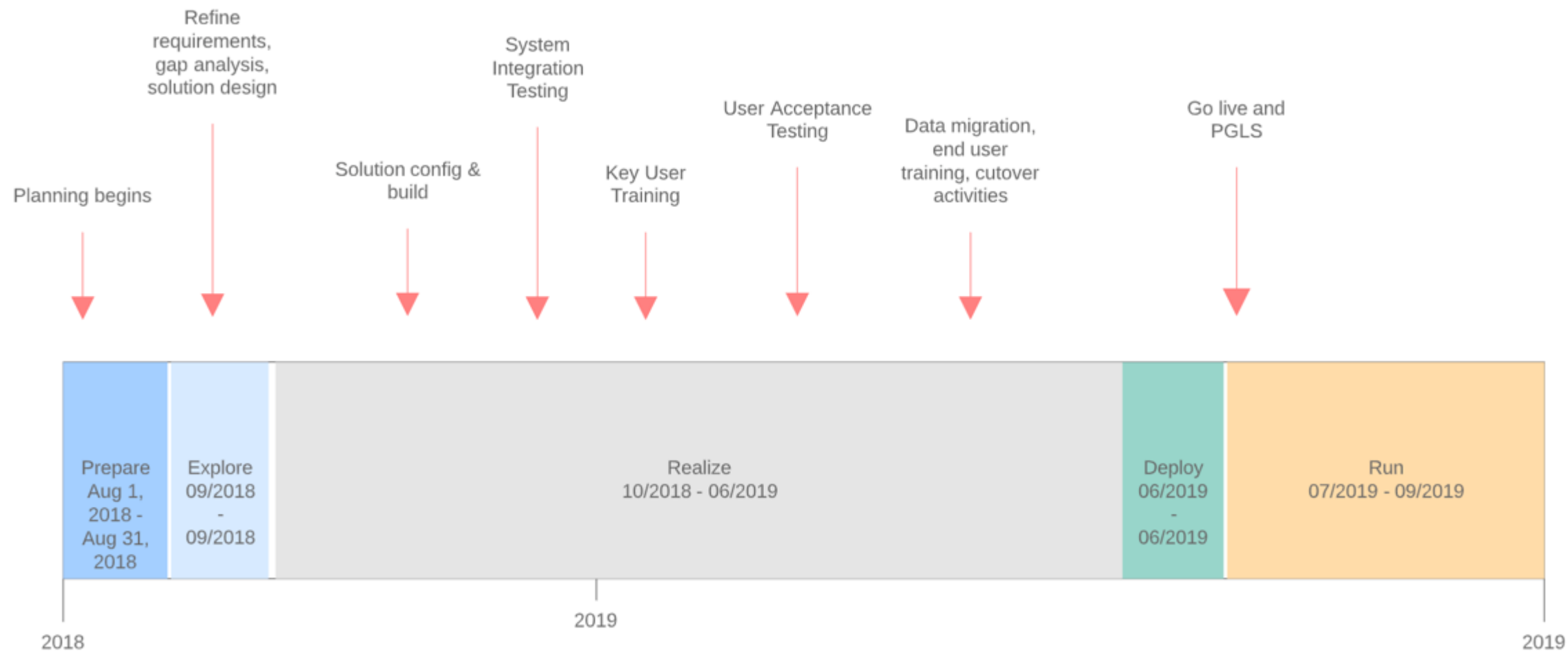
- ▶ SAP Activate Methodology
- ▶ SAP Best Practices US implemented

The Project – Scope and Timeline

► Technical Architecture



The Project – Scope and Timeline



The Project – Challenges

EY Skye challenges

- ▶ To understand the seismic terms and business model and to tailor SAP to the processes
- ▶ TGS entities can sell each other's data
 - ▶ Eight different countries, including Brazil, gave complex intercompany and sales tax setup

TGS-NOPEC challenges

- ▶ To understand and get a hold of the detail level needed for configuring the new solution
 - ▶ Automated processes
- ▶ Underestimated the complexity of change management and testing the solution

General challenges

- ▶ Project phase timelines
 - ▶ Very high-level design specification
 - ▶ Led to moving target issues
- ▶ Migration
 - ▶ Challenging and time-consuming fetching data from legacy systems
 - ▶ Change of accounting logic led to mismatch in project accounting

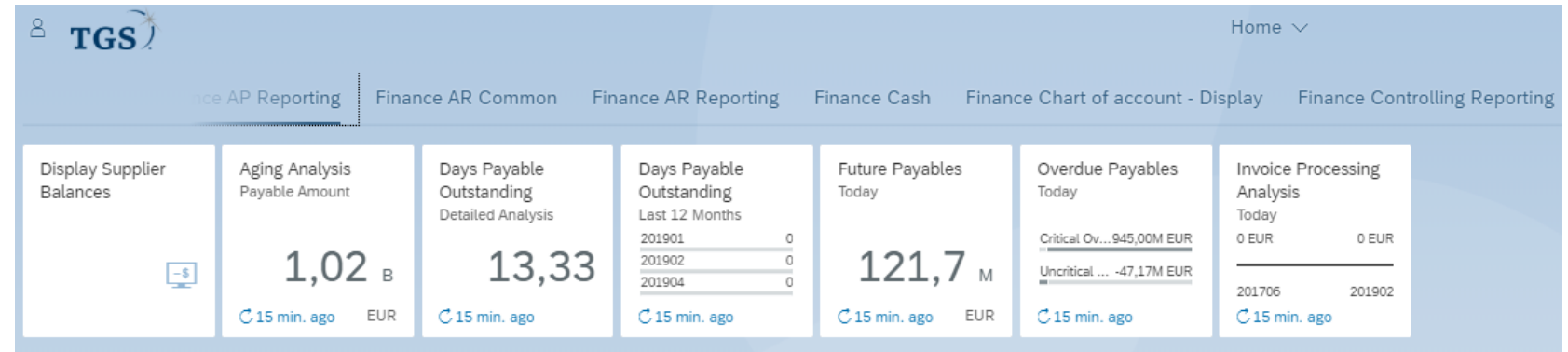
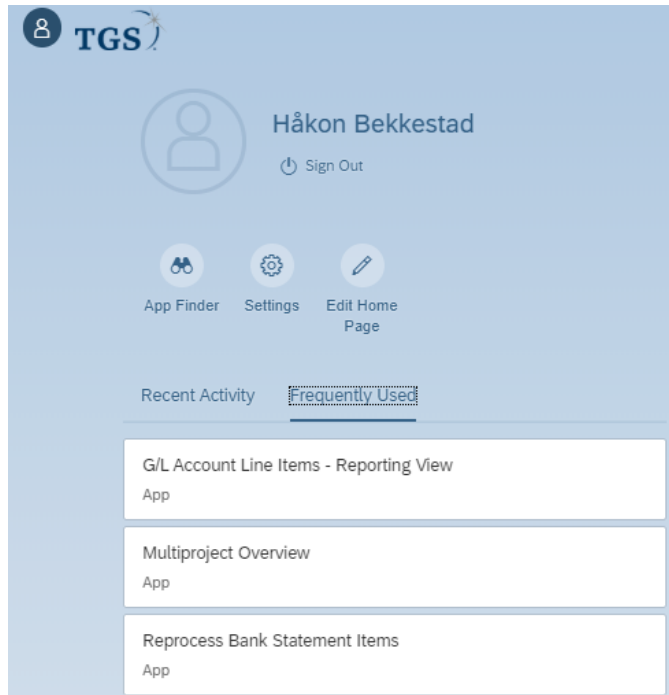
The Solution

- ▶ 21 company codes in 8 countries
- ▶ 21 sales organizations
- ▶ 24 plants
- ▶ 1554 projects
- ▶ 2 ledgers
 - ▶ Local GAAP
 - ▶ IFRS
- ▶ 2 chart of accounts
 - ▶ Group CoA
 - ▶ Operational CoA
- ▶ 3 currency types
 - ▶ Document currency
 - ▶ Local currency
 - ▶ Group currency (USD)



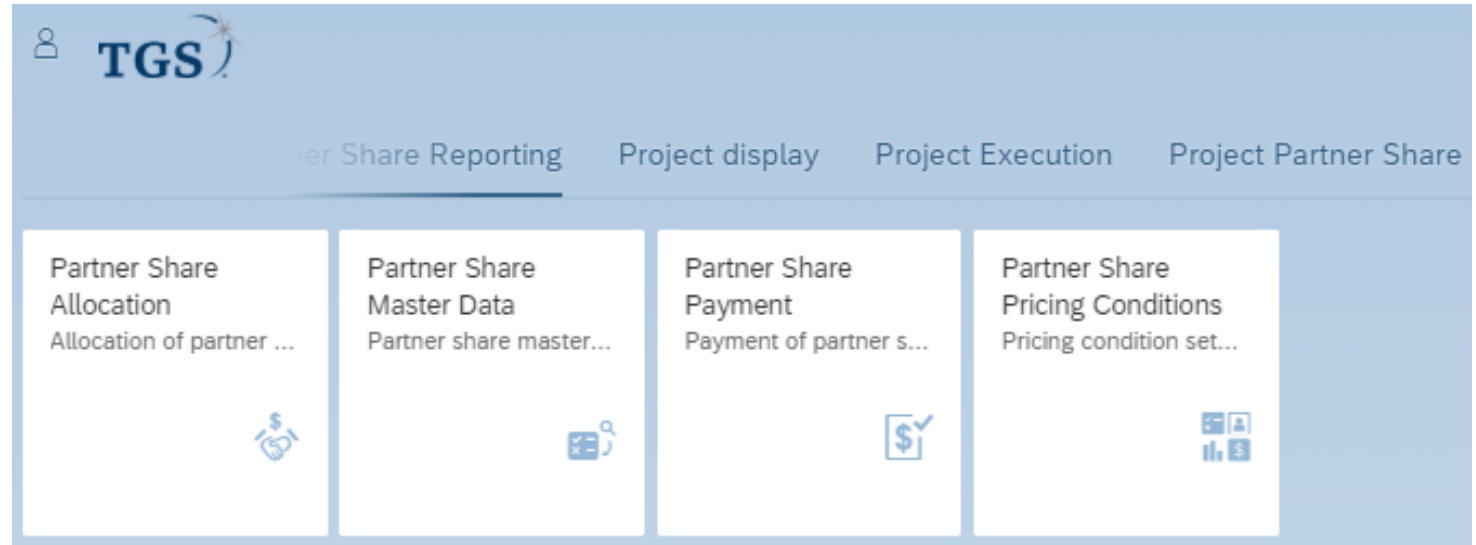
The Solution

- ▶ Fiori Launchpad
 - ▶ Web based user interface
 - ▶ All transactions work as apps
 - ▶ Divide between GUI apps, Fiori apps and Design Studio apps



The Solution

- ▶ SAP Standard where possible
- ▶ Custom developments
 - ▶ Partner share Agreements
 - ▶ Intercompany – Selling agent
 - ▶ Project Accounting Reporting



The Solution






► Partner Share Agreements

- SAP standard pricing technique assigned to project (WBS) and sales order

Identification and view selection

WBS element: 150653.03.03 PGS (Mauritania)

Detail: ▲

Overview(s):     

Basic Data Dates Assignments Control User fields Administr. Superior P

Partner Share Agreement

Agreement Type: ZP12 PS 3 (Value scale) Display Change



Agreement Number: PS-1099 ☐ Deduct Repr. Cost

Link ID: No link defined

MaxID	Name
2866	NW Africa Mauritania

Partner Share 3: 4000263




Valid On: 21.10.2019

Partner 3 / MaxID

<input type="checkbox"/> MaxID	Amount	Unit
<input type="checkbox"/> 2866	17,500-	%

Sales A	Sales B	Shipping	Billing Document	Billing plan	Conditions	Account
Quantity:		2.518,238	ZKM	Net:	453.282,84	USD
				Tax:	0,00	

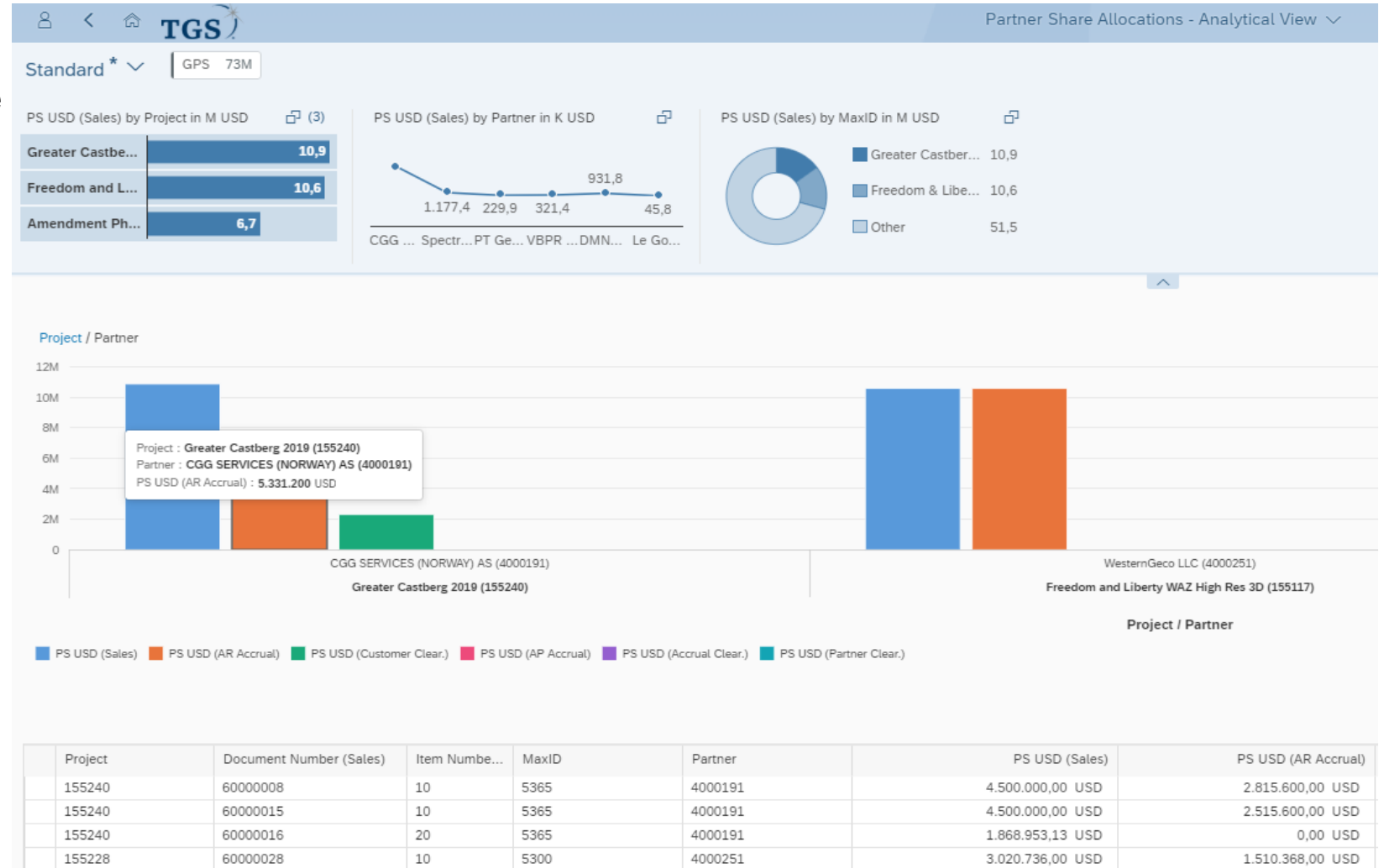
   Condition Record Analysis

Pricing Elements

<input type="checkbox"/>	I...	CnTy	Name	Amount	Crcy	per	UoM	Condition Value	Curr.
<input type="checkbox"/>	■	ZMAN	Manual Price	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>			Gross Value	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>			Discount Amount	0,00	USD	1	ZKM	0,00	USD
<input type="checkbox"/>			Rebate Basis	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>			Net Value for Item	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>			Net Value 2	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>	■	ZP11	PS 2 (Value scale)	30,000-	%			135.984,85-	USD
<input type="checkbox"/>	■	ZP12	PS 3 (Value scale)	17,500-	%			79.324,50-	USD
<input type="checkbox"/>			Sum Partner Share	85,50-	USD	1	ZKM	215.309,35-	USD
<input type="checkbox"/>			Price inc. Partner S	94,50	USD	1	ZKM	237.973,49	USD
<input type="checkbox"/>	■	MWST	Output Tax	0,000	%			0,00	USD
<input type="checkbox"/>			Total	180,00	USD	1	ZKM	453.282,84	USD
<input type="checkbox"/>			Profit Margin	180,00	USD	1	ZKM	453.282,84	USD

The Solution

- ▶ Partner Share Cockpit
 - ▶ Custom made reports done with CDS views
 - PS Allocations
 - PS Payments
 - PS Master Data
 - PS Pricing Conditions



The Solution

► Project Accounting Reporting

Bucket Report

Bucket Report												
Sales Org.	Project def.	Project description	WBS Element	Segment	Profit Center	% of compl	Sales doc. type	Sales Document	Item	Customer Num...	Customer Name	Acct asgmt grp
1100	155240	Greater Castberg 2019	155240.01	350	1100350	71,458	ZOR	60000016	20	5009905	Petoro AS	EP
1100	155240	Greater Castberg 2019	155240.01	350	1100350	71,458	ZOR	60000008	10	5011963	Equinor Energy AS	EP
1100	155240	Greater Castberg 2019	155240.01	350	1100350	71,458	ZOR	60000015	10	5012758	Vår Energi AS	EP

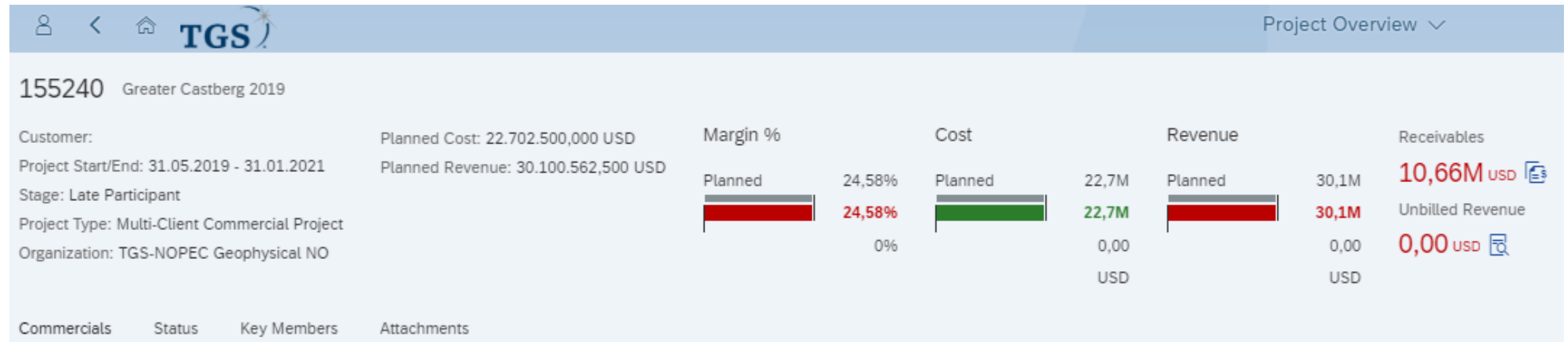
Bucket Report								
Delivered	Deliv.Date	Gross USD	Net Committed USD	Recognized USD	Recognized Share in USD	Delivered USD	Invoiced Amount USD	Invoices Share USD
		3.737.906,25	1.868.953,12	2.671.033,05	1.335.516,53-	0,00	0,00	0,00
		9.000.000,00	4.500.000,00	6.431.220,00	3.215.610,00-	0,00	5.631.200,00	2.815.600,00-
		9.000.000,00	4.500.000,00	6.431.220,00	3.215.610,00-	0,00	7.016.000,00	3.508.000,00-
		21.737.906,25	10.868.953,12	15.533.473,05	7.766.736,53-	0,00	12.647.200,00	6.323.600,00-

Sales Amortization Report

Sales Amortization Overview										
CoCd	Proj.def.	Segment	Period	Total Estimated cost USD	Total Estimated Revenue USD	Amortization Rate USD	Net Recognized Revenue USD	Sales Amortization in USD	NBV USD	Impairment Check
1100	155240	350	009.2019	45.405.000,00	30.100.562,50-	1,5084	8.045.467,42-	12.135.783,06	7.227.425,30	No impairment

The Solution

- ▶ Commercial Project Management (CPM)
 - ▶ Included in S/4HANA (requires own license fee)
 - ▶ Fetching data from PS-, MM-, SD- and FICO modules
 - ▶ Full control of your project's costs and revenues
 - ▶ Plan and actual
 - ▶ Integrated with Analysis for Office for project planning



The Solution

➤ Commercial Project Management (CPM)

155240: Greater Castberg 2019 - Commercial View

E-Mail E-mail URL Add To

Overview Commercial View Procurement View Team Overview Financial Plan

Commercial Project Structure

Structure Element (All)	Description
155240	Greater Castberg 2019
155240.01	Greater Castberg 2019
155240.01.01	Cost
155240.01.02	InterCompany
60000008-000010	Entitlement
60000015-000010	Entitlement
60000016-000020	Entitlement
155240.02	Financial
155240.02.01	WIP Cost to Balance

Sales Orders

Sales Document Type	Sales Document	Customer Name	Order Date	Value	Currency
Order	60000008	Equinor Energy AS	29.06.2019	9.000.000,00	USD
Order	60000015	Vår Energi AS	29.06.2019	9.000.000,00	USD
Order	60000016	Petoro AS	29.06.2019	3.737.906,25	USD

Billing Plan

Sales Document Item	Billing Date	Description	Billing Value	Currency	Status
60000008-10	01.11.2019	Contract Conclusion	2.368.800,00	USD	Not yet processed
60000008-10	02.12.2019	Contract Conclusion	1.000.000,00	USD	Not yet processed

Invoices / Debit Memos

Sales Document	Document No	Date	Net Amount	Document Cur...	Due Date	Billing Date
60000008	90000290	12.09.2019	3.000.000,00	USD	02.10.2019	02.09.2019
60000008	90000714	10.10.2019	1.015.200,00	USD	09.11.2019	10.10.2019

The Solution

► Commercial Project Management (CPM)

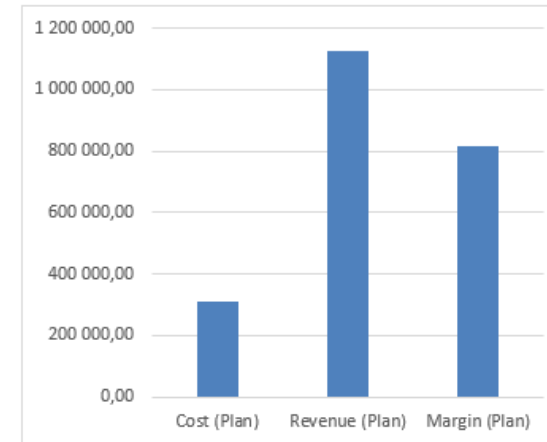


Project Cost and Revenue Planning

Structure Element

112619.01.01.02.03

		Cost (Plan)	Revenue (Plan)	Margin (Plan)
Description	Structure Element	\$	\$	\$
[-] Norway FMB Updates 2019		310 000,00	1 125 274,40	815 274,40
Norway FMB Updates 2019	112619			
[-] Norway FMB Updates 2019		310 000,00	1 125 274,40	815 274,40
Norway FMB Updates 2019	112619.01	0,00	1 125 274,40	1 125 274,40
[-] Cost		310 000,00	0,00	-310 000,00
Cost	112619.01.01			
[+] Acquisition				
[-] Processing costs		310 000,00	0,00	-310 000,00
Processing costs	112619.01.01.02			
Processing External	112619.01.01.02.01			
Processing Internal	112619.01.01.02.02			
Interpretation	112619.01.01.02.03	310 000,00	0,00	-310 000,00
Data Uploading	112619.01.01.02.04			



Resource Type






Expense

		Key Figures	[+] Quantity	[+] Cost Rate	[+] Cost (Transaction)	[-] Cost (Plan)	JAN 2019
Resource	UoM	Transaction Currency			\$	\$	\$
WIP Project Cost	Not assigned	US Dollar	0	0,000	310 000,00	310 000,00	310 000,00

The Solution

► Results Analysis and Project Settlement

- Planned revenue updated from approved sales orders
- Planned cost updated from financial plan in CPM
- Recognized revenue and POC cost calculated through the results analysis
- Revenue divided based on several GL accounts reflecting project phases and partner share

<div>     Projects - Actuals ▾ </div>									
Standard ▾									
Search 	Pause	<<							
DIMENSIONS	COLUMNS	Project Definition ▴▾	Project Definition ▴▾	WBS Element ▴	WBS Element ▴▾	G/L Account ▴▾	G/L Account ▴	Amt in CO Area Crpy ▴▾	Amt in Local Crpy ▴▾
<div> <div> <div>▼ Measures</div> <div> <div>✓ Amt in CO Area ...</div> <div>✓ Amt in Local Crpy</div> <div>Amt in Trans. Crpy</div> <div>Quantity</div> </div> </div> <div> <div>Bus. Trans. Type</div> <div>Business Area</div> <div>Company Code</div> <div>Deb/Cred Ind CO</div> <div>Doc. Item No.</div> <div>Document No.</div> <div>Fiscal year</div> </div> </div>	Measures	155244	Utsira (Omega OBN18)	> 155244.01	Utsira (Omega OBN18)	Prepaid Project Expenditure	161130	\$ 15.978,00	142.762,69 NOK
						Unbilled Revenue	182100	\$ -1.245.720,00	-10.941.611,19 NOK
						Unbilled Partner Share	182150	\$ 604.174,20	5.039.741,44 NOK
						Deferred Partner Share	332120	\$ 17.401,80	552.485,28 NOK
						Deferred Revenue	345100	\$ -35.880,00	-588.753,18 NOK
						LP Invoiced Revenue	411200	\$ -1.281.600,00	-11.530.364,37 NOK
						LP Excess of Billing	411280	\$ 1.245.720,00	10.941.611,19 NOK
						LP Deferred Revenue	411290	\$ 35.880,00	588.753,18 NOK
						LP Revenue Share Invoiced	413250	\$ 621.576,00	5.592.226,72 NOK
						LP Revenue Share Excess of Billing	413280	\$ -17.401,80	-552.485,28 NOK
						LP Revenue Share Deferred Revenue	413290	\$ -604.174,20	-5.039.741,44 NOK
						WIP Project Costs	521100	\$ 15.978,00	142.762,69 NOK
						Total		\$ -628.068,00	-5.652.612,27 NOK
						Grand Total		\$ -628.068,00	-5.652.612,27 NOK
	ROWS								
	Project Definition								
	WBS Element								
	G/L Account								

Experiences Going Live with SAP S/4HANA





- ▶ Calm cut-over weekend and first couple of weeks
- ▶ Then it became more challenging than expected
- ▶ Difficult migration scope due to change of accounting logic
 - ▶ Issues related to period-end closing of project results analysis
- ▶ Now starting to see stable operations within TGS after some hectic months

Experiences Going Live with SAP S/4HANA

► Fiori Launchpad

- Set aside time for app service activations
- Get to know the different apps and the opportunities with them
- Use time analyzing SAP Fiori Library to choose the best apps for your processes


 

Categories


- All apps >
- All apps for SAP S/4HANA >
- SAP Fiori apps for SAP S/4HANA >
- SAP Fiori apps for SAP Business Suite >
- SAP Fiori lighthouse apps >
- Available via SAP Fiori Cloud >

Welcome to the SAP Fiori apps reference library!


Explore, plan and implement SAP Fiori, the latest user experience from SAP including all relevant content for the SAP Fiori launchpad.



Watch [this video](#) and find out how to get the most out of SAP Fiori apps reference library.



Find out how you can take advantage of SAP Fiori with our [SAP Fiori lighthouse scenarios](#) designed to deliver immediate business benefit to SAP S/4HANA customers.



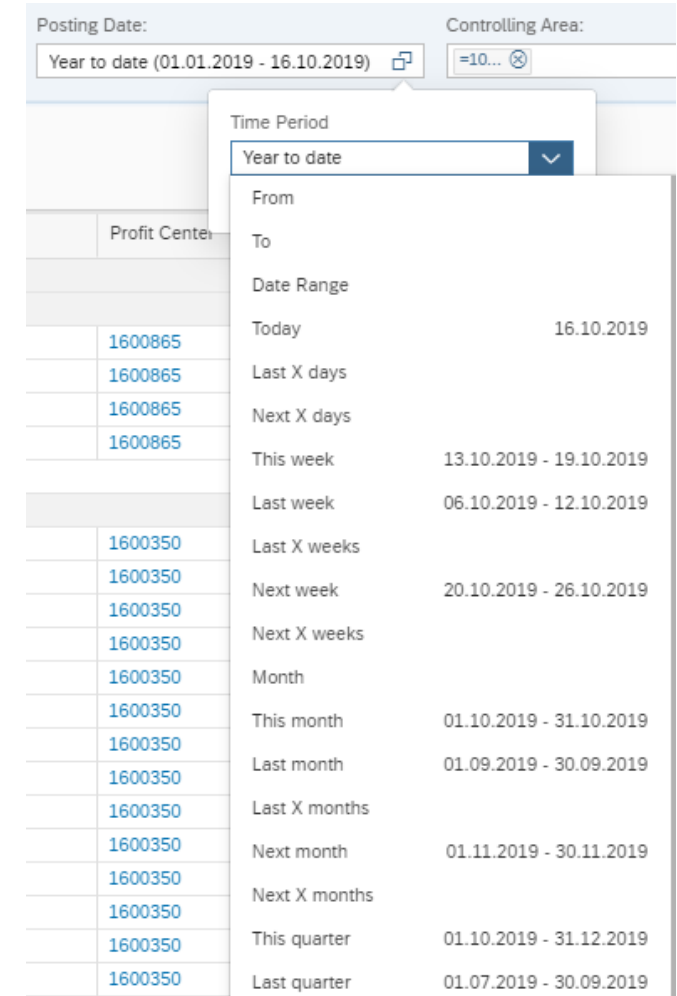
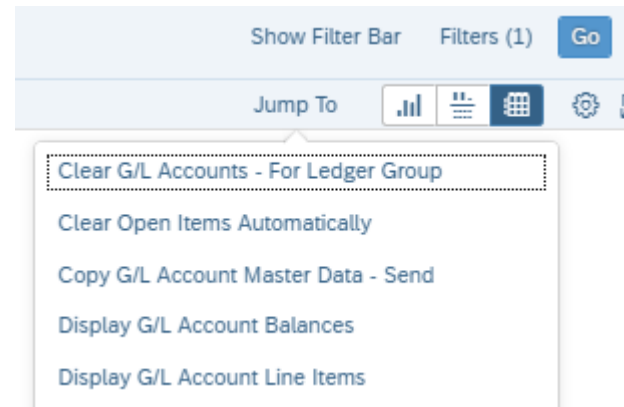
You can learn more about SAP Fiori at our website or see SAP Fiori in action with a free trial.

Sign in and get recommendations based on your system usage. [Learn more](#)

[Get SAP Fiori App Recommendations](#)

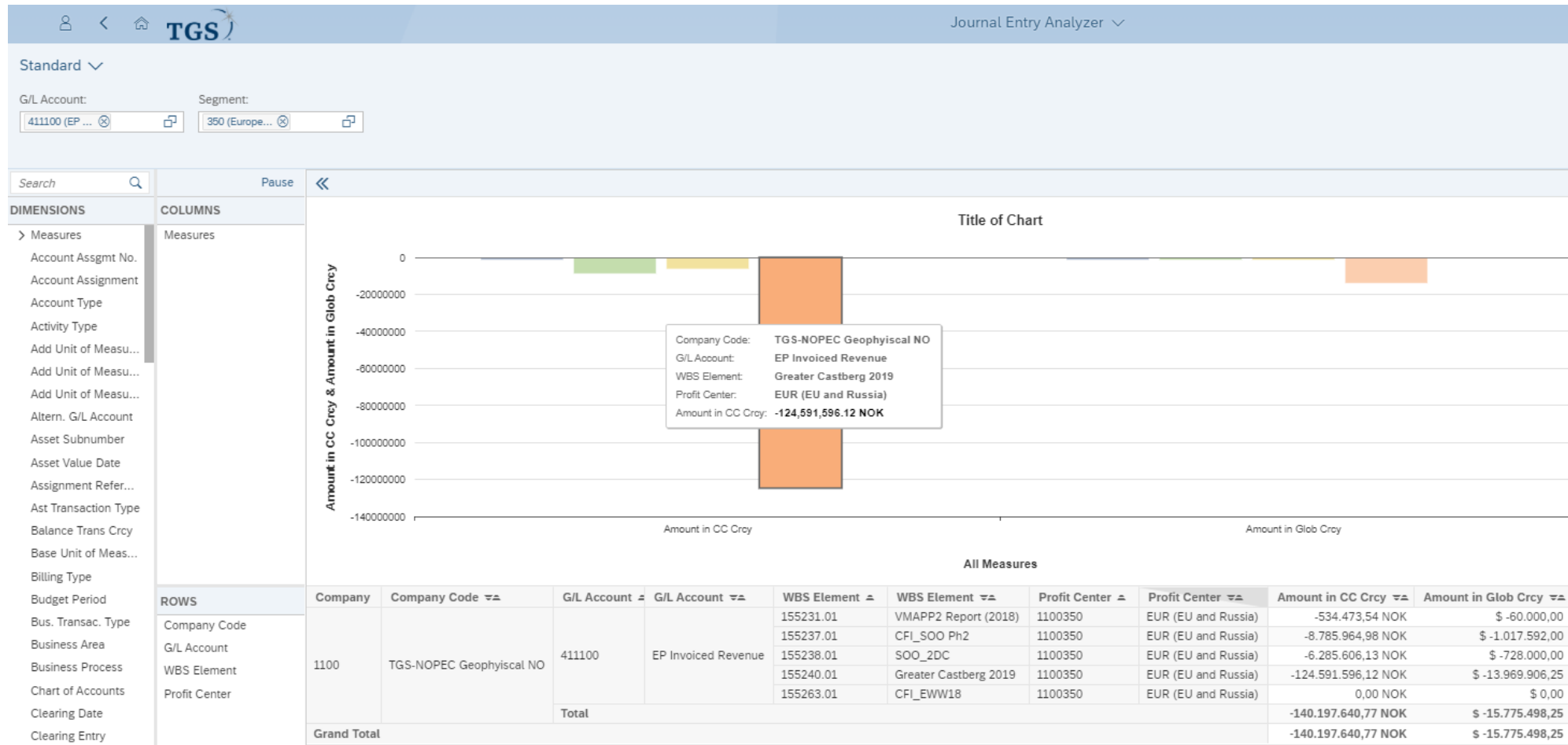
Experiences Going Live with SAP S/4HANA

- ▶ Fiori Launchpad – Experiences with new User Interface
 - ▶ Positive
 - ▶ Flexible and good-looking apps with many opportunities across modules
 - ▶ Good mix of graphical management reports and more detailed reporting
 - ▶ Direct link to similar apps
 - ▶ Elegant drag and drop functionality (apps menu, report attributes, attachments)
 - ▶ Easy adding GUI apps if necessary



Experiences Going Live with SAP S/4HANA

► Fiori Launchpad – Experiences with new User Interface



Experiences Going Live with SAP S/4HANA



- ▶ **Fiori Launchpad – Experiences with new User Interface**
 - ▶ **Potential Improvements**
 - ▶ Have experienced less functionality in some apps
 - ▶ Seems to be a bit unfinished
 - ▶ Some apps more time-consuming than using the GUI transactions
 - ▶ Some lack of functionality using web interface
 - ▶ Easy to filter and sort, but more difficult to copy/paste specific data
 - ▶ **Tips**
 - ▶ Use time analyzing the new apps contra the GUI transactions
 - ▶ Most of the apps are better, but some might be more time-consuming or less flexible

TGS-NOPEC Going Forward



- ▶ TGS-NOPEC bought Spectrum this spring for an acquisition value of 3,7 billion NOK
 - ▶ Spectrum has the world's largest 2D data library
 - ▶ Roll-out project started
 - ▶ 11 new legal entities in 7 countries
- ▶ Expansion of TGS-NOPEC with 3 new legal entities
- ▶ Phase 2
 - ▶ Postponed functionality
 - ▶ New functionality
- ▶ S/4HANA Upgrade to 1909



Thank You!



Contact Information:

line.molberg@tgs.com

hakon.bekkestad@skye.ey.com