

Deloitte.



SBN Energy Day

Full Scale S/4HANA and SAP Ariba implementation at Dragon Oil

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**MAKING AN
IMPACT THAT
MATTERS**
since 1845

Presenters



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Introduction



Dragon Oil

At a glance

Dragon Oil is an upstream oil and gas exploration, development and production company. The Group's headquarters are in Dubai, United Arab Emirates. It is a privately held and wholly owned subsidiary of Emirates National Oil Company (ENOC) L.L.C.

Dragon Oil's operational focus remains clear and consistent in delivering on a three-point strategy:



Accelerate the development of the Cheleken Contract Area



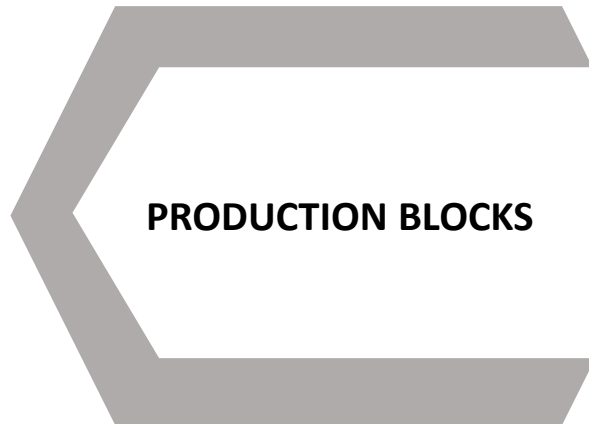
Develop opportunities for gas



Explore value-enhancing acquisitions within diversification strategy

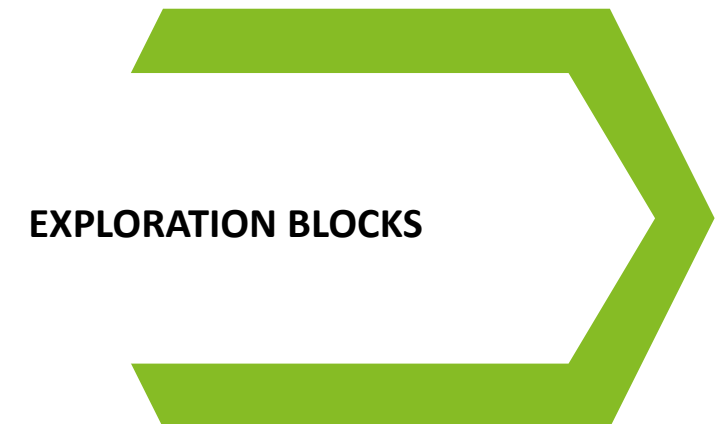
Dragon Oil

At a glance



- Principal producing asset is the Cheleken in the eastern section of the Caspian Sea, offshore Turkmenistan.
- Oil production level of 60,000 -75000 barrels per day.
- DO is the Operator for this field.
- 100% owned, no Non-operators.

- Dragon Oil has interest in other exploration blocks in partnership with other companies which includes:
 - Onshore in Iraq (Block 9)
 - Onshore Algeria (Tinrhert Nord Perimeter and Msari Akabli Perimeter)
 - East Zeit Bay, offshore the Gulf of Suez, in Egypt
 - Onshore in Afghanistan (Sanduqli and Mazar-i-Sharif blocks)
 - Offshore Tunisia (the Bargou Exploration Permit)



Business Transformation objectives



Achieve enterprise-wide Process standardization by implementing simplified processes aligned to leading practices



Industry leading Digital platform to support future innovation



Established controls around Turnkey /Capital Project & Expense Management.



Enhanced data quality & governance processes across critical master data i.e Material, Suppliers



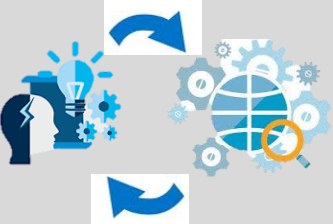
Better Workforce experience with a full roster of HR self-service capabilities

Dragon Oil SAP Transformation

Implementation scope

Capped Customization effort
for Tax, Legal, Compliance and Enterprise Value Driven Requirements

Pre-Configured Solution

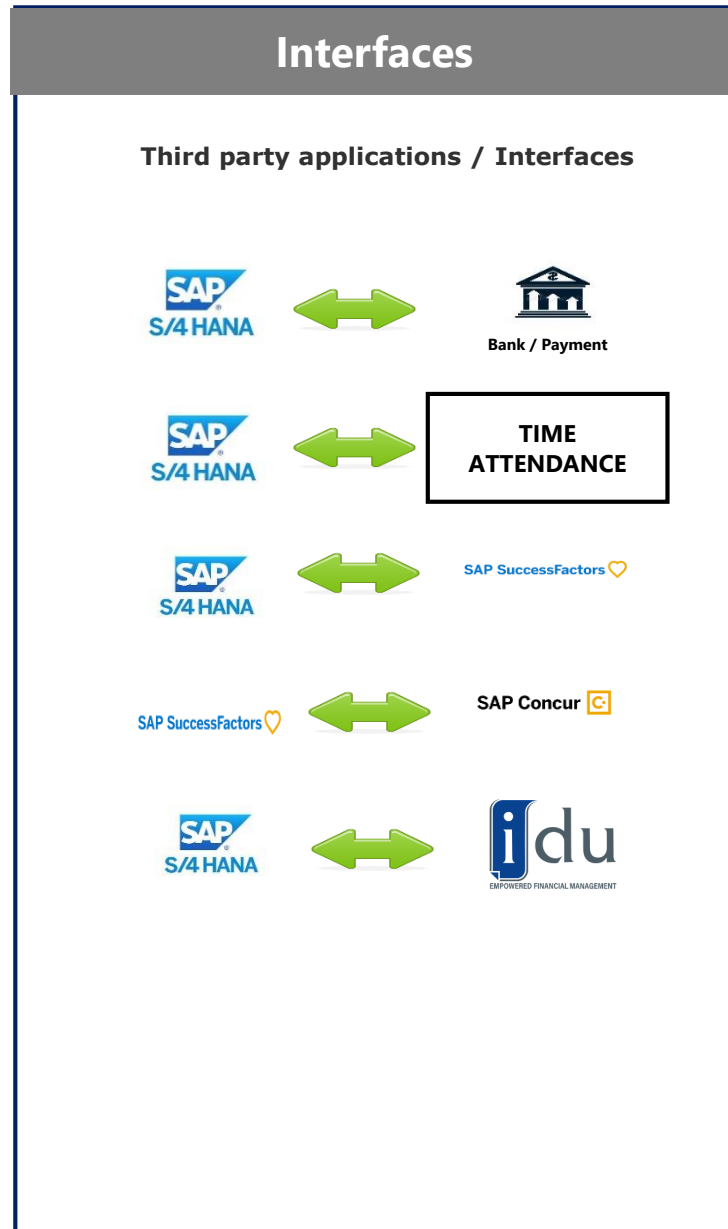
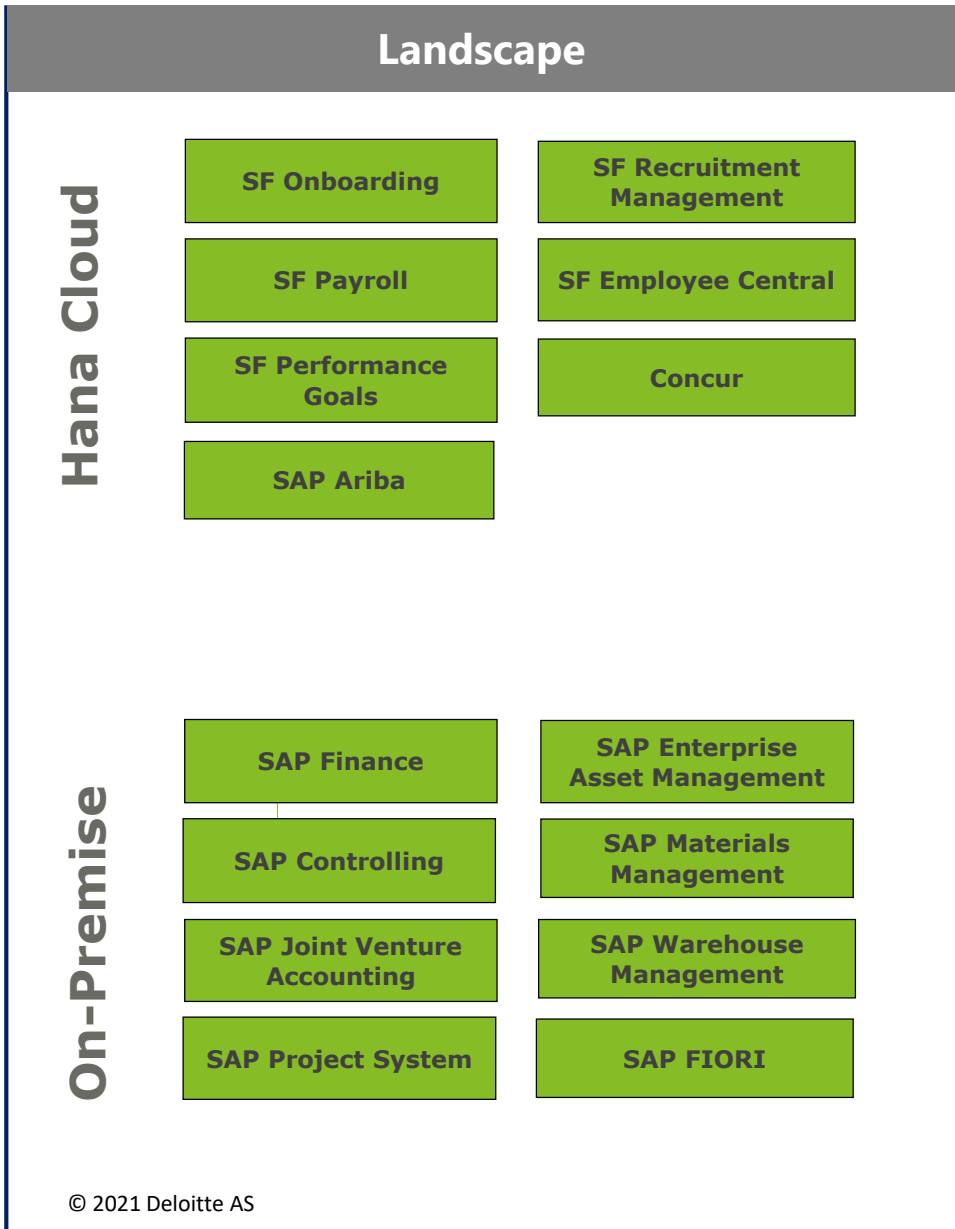


Best Practices



32 Companies	2,500 Employees
600 Users	200+ Processes
5 Inventories	2,400 Suppliers
25,000 Material Master Records	35,000 Asset Master Records

Application landscape & Interfaces



Solution & Process View

Finance	
<i>SAP Finance and Controlling, Joint Venture Accounting, Project systems</i>	
<i>On S4 HANA</i>	
Budgeting	Taxation
Receivables Management	Reporting
Payables Management	Joint Venture Accounting
Fixed Assets Management	
General Accounting and Closure	
Cash Management	

Enterprise Asset Management	
<i>SAP Enterprise Asset Management</i>	
Notification creation & processing	Equipment Warranty management
Maintenance order creation & processing	Equipment tagging
Preventive maintenance strategy & planning	Analytics & KPI
Spares Management	

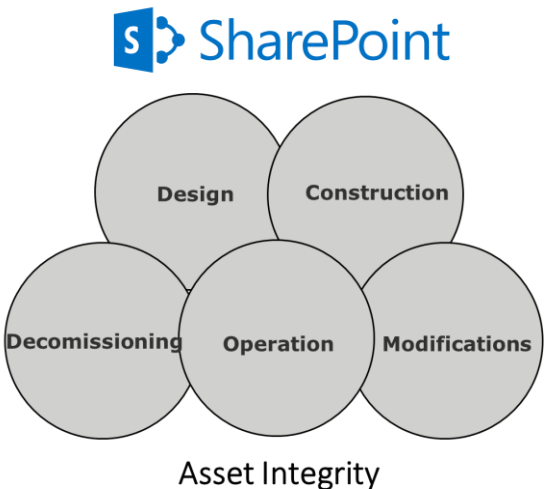
Supply Chain Management
<i>SAP Material management, Warehouse management, Fiori</i>
<i>On S4 HANA</i>
Planning
Sourcing and Procurement
Inventory management
Logistics
Warehouse Management

SAP Ariba
Supplier Lifecycle Management & Performance Management
Strategic Sourcing
Ariba Buying
Commerce Automation

Human Resources
<i>SAP HCM, SF Employee Central, Payroll, Concur, PMGM, Recruitment & Onboarding</i>
Recruitment & Onboarding
Employee Self Service
Leave Management
Time sheet management
Visa & Permit Management
Loans & Benefits
Medical Services & Insurance
Training
Goal Management
Performance Evaluation
Payroll Management
Travel
Expense

Information Management and Apps
<i>SAP internal DMS, SharePoint, O365, Fiori</i>
Reporting
Document Management
Mobile Apps

Third Party Applications



Business Outcomes



Business outcomes

Budget control



ISSUE

- Limited control on budget and expenditure visibility FOR Capex Projects.



SOLUTION

- SAP IM (Investment Management) and PS (Project System) module implemented for controlling project CAPEX and Provisioned WBS hierarchy; enabled spending control against plan.
- Standard SAP reports for planning activities and commitment reports at Cost element level with possible corrective actions at any time.



OUTCOME

- Automatically activated Fiori tiles approach.
- Reduced the overall processing time by 50% to complete the process.

ESTIMATED NET SAVINGS OF

~25%

ON EPC & INFRA PROJECTS

~90%

IN MANUAL EFFORTS

Business outcomes

Supplier qualifications and payments



ISSUE

- Errors as a result of the supplier invoices and payments being raised and approved outside the system.



SOLUTION

- Deployment of SAP Ariba for Supplier onboarding, Sourcing, Contracting and Commerce Automation.



OUTCOME

- The digital platform enabling all strategic / registered suppliers to raise invoices and get payment via portal
- Ensured audit trail maintained across all transactions.

**DIGITAL PLATFORM
ENABLING**

**~90%
OF SUPPLIERS TO
RAISE INVOICES
AND GET PAYMENTS**

Business outcome

Implementation of Warehouse Management module



ISSUE

- Inefficient storage of materials due to improperly structured warehouses and bins



SOLUTION

- Entire inventory management & warehouse management restructured
- Entire material master data streamlined to include all relevant data on storage and material requirement planning.
- An "Auto Stock Transfer" solution implemented



OUTCOME

- Significantly reduced processing time of goods issue
- Minimized inventory loss in transit

**ESTIMATED NET
SAVINGS OF**

~60%

**IN GOODS' ISSUE
PROCESSING TIME**

~10%

**IN TRANSIT
INVENTORY LOSS**

Business outcome

Project specific procurement and materials management



ISSUE

- Missing ability to manage inventory by project.
- POs for CAPEX projects issued without any reference to projects resulting in diminished visibility on inventory consumption.



SOLUTION

- Separate storage location and warehouse for CAPEX projects created.
- All the Purchase Requisitions / Purchase Orders issued against projects created by referencing project / WBS number.
- A custom FIFO solution implemented.



OUTCOME

- Lower inventory carrying cost due to improved tracking.
- Unnecessary consumption of materials / wastage reduced.

ESTIMATED NET SAVINGS OF

~40%

IN INVENTORY CARRYING COST

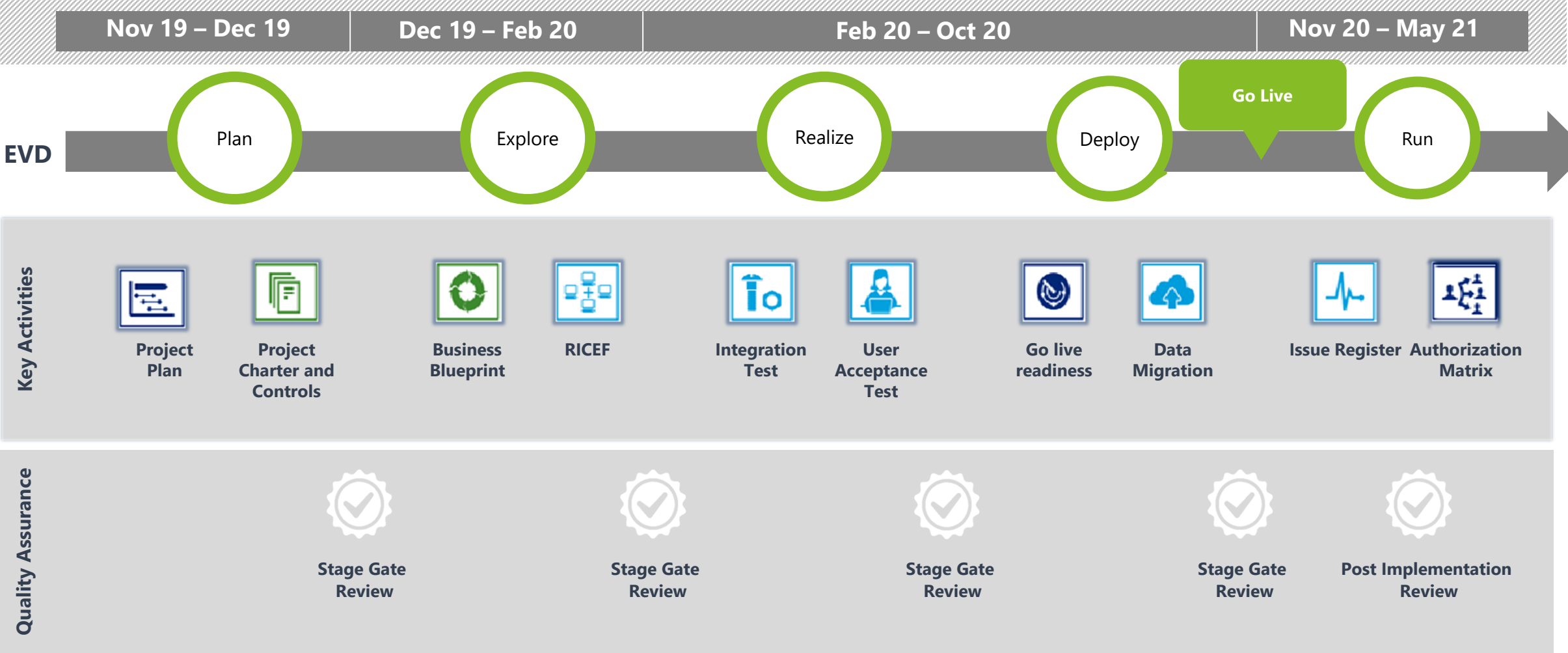
~20%

IN SPARES' CONSUMPTION AND MATERIALS' WASTAGE

Project Methodology & Timeline

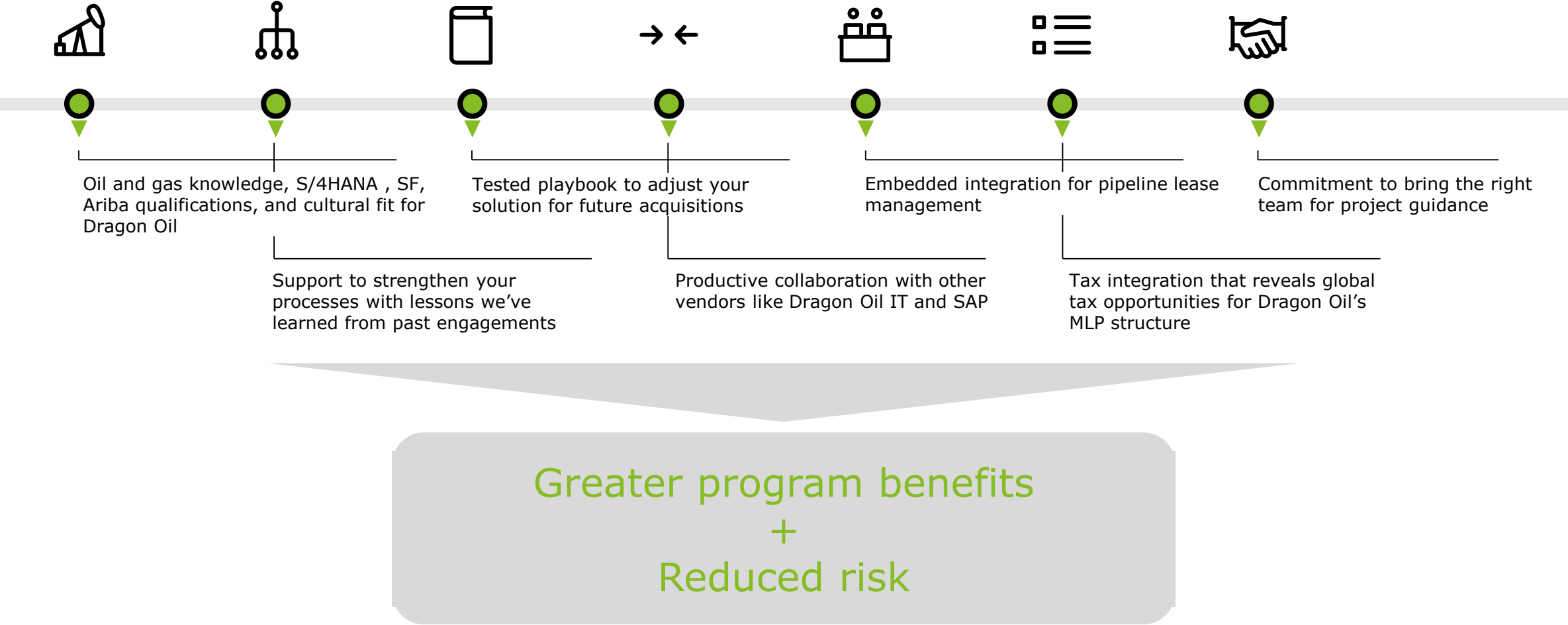


Timeline & phases



An integrated methodology for Continuous improvement

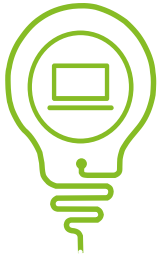
We limited customizations to strategic differentiators and managed to build a strong foundation.



Tools & Accelerators

Industry Prints

Deloitte leading industry best practice processes



- Best practices for key processes in 30+ industry segments
- The level of detail necessary for process modeling design
- Industry-specific process flows

Dleaps

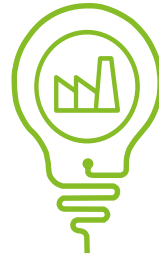
Deloitte SAP-certified pre-configured solution includes leading best practices



- Built on S/4HANA including leading SAP practices
- Deloitte's industry-leading practices and solutions
- Demonstrates art of the possible with a functioning SAP S/4HANA solution for transactional processing and integrated planning
- Speed up design process through solution validation and reduced realization efforts

PMC

Provides end-to-end visibility into project status



- Simplifies program management tasks by providing a standardized approach
- Flexibility and control for managing your SAP S/4HANA implementation
- Consolidated, secure and holistic project data
- Ability to access the tool from any delivery location
- Flexible reporting to facilitate insights

DCUT

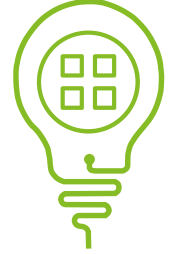
Deloitte Cutover Tool automatically identifies tasks ready to be executed



- Automatically identifies tasks 'Ready' to be executed
- Automatic Notification of Task Readiness for Team Members
- Cutover Plan Management in MS Project with Built in Sync
- Built in reports and dashboards to track tasks by day, resource and team
- Built In Security in Accordance with Internal Audit

ALM

A test management tool that helps in managing all phases of the application lifecycle



- Enables the creation of graphs and reports
- Defines releases and cycles for the application management process
- Libraries to track changes and reuse entities in a project, or share entities across projects
- Manages and organizes assets to be used during testing
- Result analysis of test executions and details of individual test runs



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