



Tullow Oil: Maximo and the Global Supply Chain

PCTY2011

Pulse Comes to You

Optimising the World's Infrastructure

Presenters



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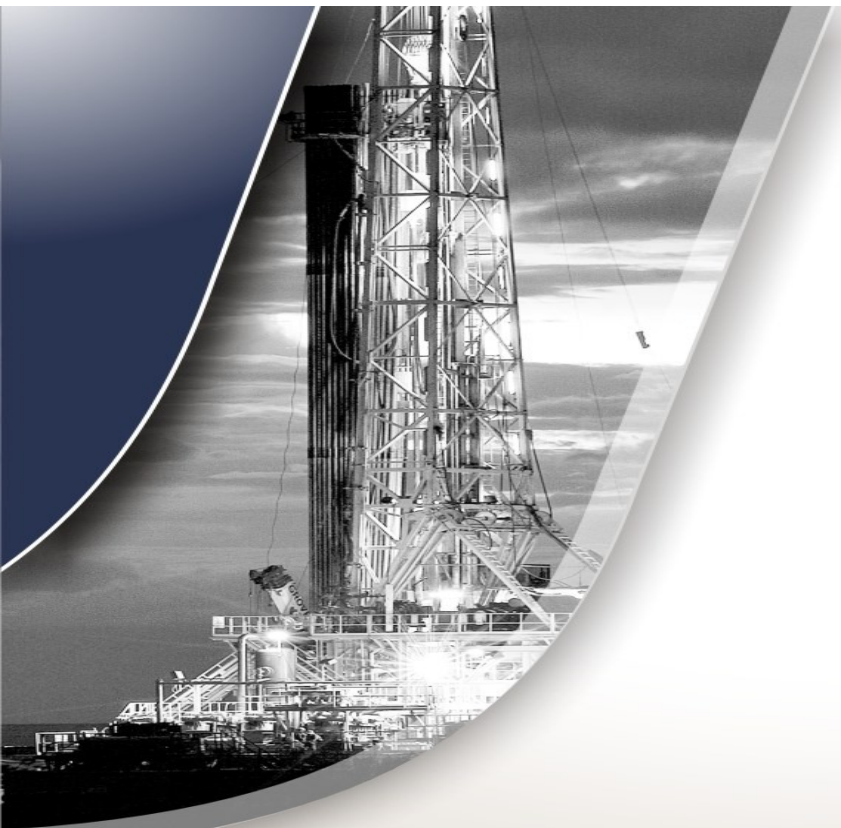
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Tullow Oil Overview



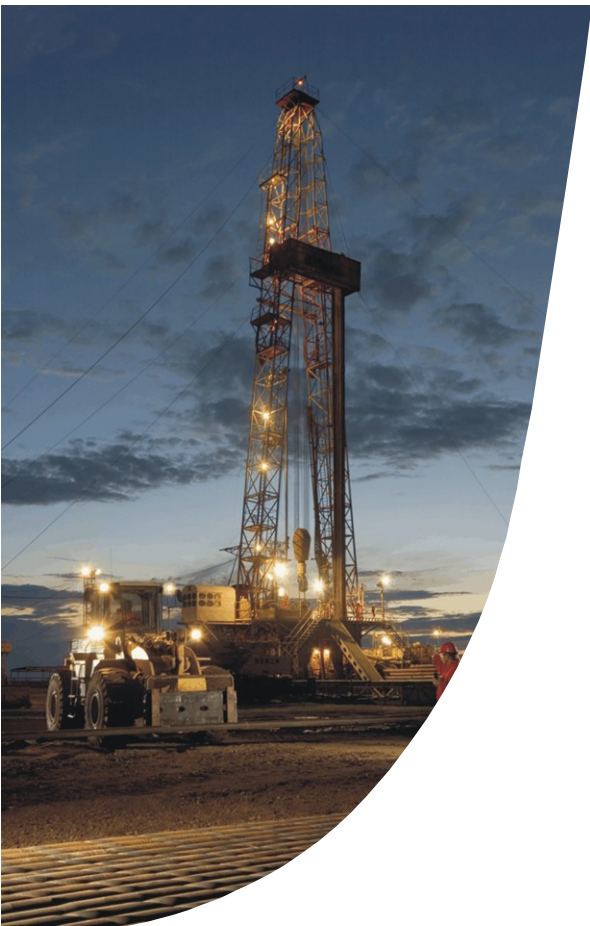
Mesbah Khan
Development Projects
Tullow Oil

Maximo Are You Ready?



- Tullow Oil Overview
- Supply Chain Programme
- Maximo Project
- Deployment
- Lessons and Outcomes
- Questions

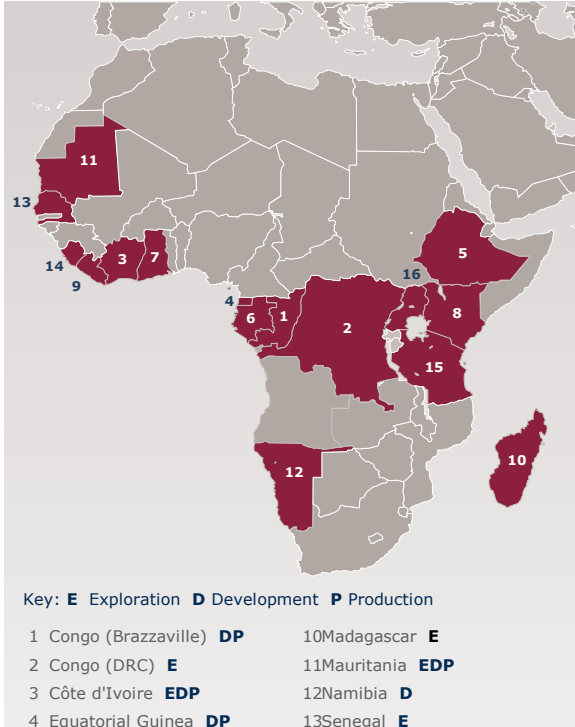
Tullow Oil Growth Story



- Founded in Ireland in 1985 by Aidan Heavey who is still CEO
- First project was in Africa - Senegal (1986-2001)
- 1990's: Expansion across Africa and South Asia
- 2001: Acquisition of BP's North Sea gas fields
- 2004: Acquisition of Cape Town-based Energy Africa Ltd
- 2007: Acquisition of Hardman (Uganda, Mauritania, S. America)
- 2010: Acquisition of Heritage Uganda for US\$1.45 Bn
- Uganda: Major oil discoveries since 2006 in East Africa, planned partnership with TOTAL and CNOOC
- Ghana: Major discoveries offshore Ghana since 2007
– Jubilee field, 1 Bn bbls expected; Tweneboa/Owo discovery
- Market Cap today approx. US\$18 Bn, London's FTSE 30
- Tullow has grown 15 fold in 6 years

Tullow footprint, 2010

Africa



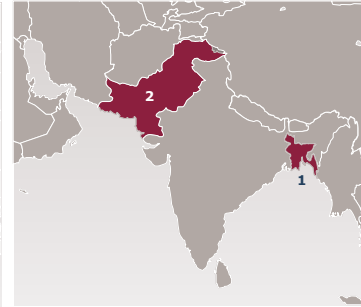
- 1 Congo (Brazzaville) **DP** 10 Madagascar **E**
 2 Congo (DRC) **E** 11 Mauritania **EDP**
 3 Côte d'Ivoire **EDP** 12 Namibia **D**
 4 Equatorial Guinea **DP** 13 Senegal **E**
 5 Ethiopia **E** 14 Sierra Leone **E**
 6 Gabon **EDP** 15 Tanzania **E**
 7 Ghana **EDP** 16 Uganda **ED**
 8 Kenya* **E**
 9 Liberia **E**
- * - subject to completion of farm-in deals.

Rest of the World



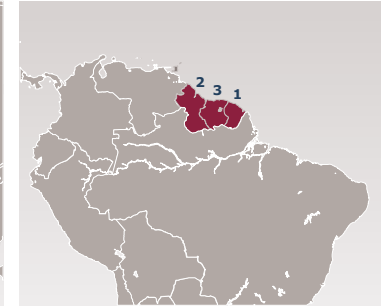
Europe

- 1 Netherlands **E**
- 2 United Kingdom **EDP**



South Asia

- 1 Bangladesh **EDP**
- 2 Pakistan **EDP**



South America

- 1 French Guiana **E**
- 2 Guyana **E**
- 3 Suriname **E**

Group highlights

Africa

- 37,500 boepd
- 16 countries
- 55 licences
- 18 producing fields

South Asia

- 5,600 boepd
- 2 countries
- 8 licences
- 2 producing fields

Europe

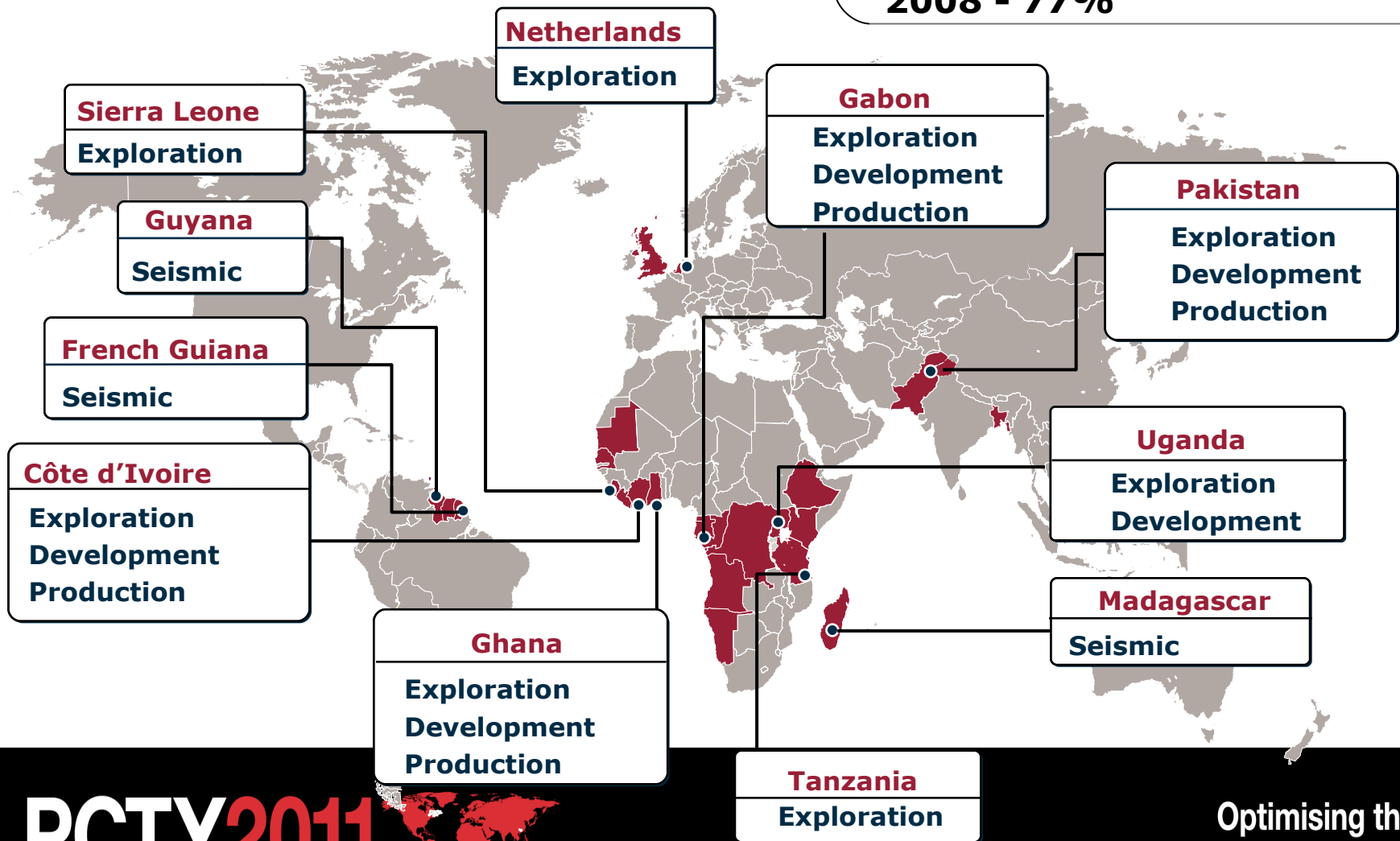
- 12,700 boepd
- 2 countries
- 28 licences
- 16 producing fields

South America

- 3 countries
- 4 licences

Tullow Footprint

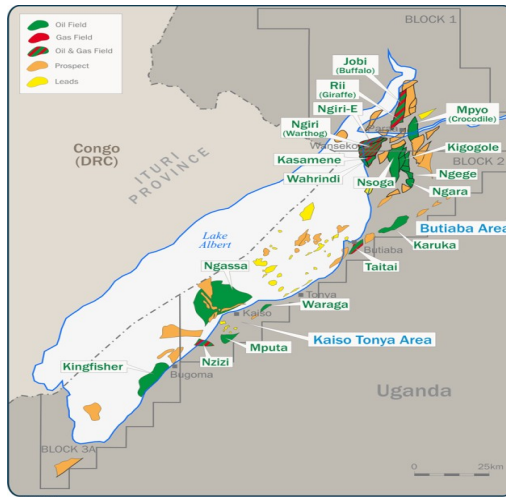
Exploration Success Rates:
2010 - 84%
2009 - 87%
2008 - 77%



Major Developments – Ghana & Uganda



- Tullow discovered The Jubilee field (60 km offshore Ghana) in 2007
- First oil has just been delivered on schedule
- This is the fastest ever full scale comprehensive deepwater development
- A production ramp up to 120,000 bopd is expected in 3 to 6 months



- World-class basin discovered
- Over \$800m spent on exploration
- 36 out of 37 Wells successful
- 1 billion bbls discovered, field potential 2.5 billion
- Uganda will be one of the top 10 oil producers in Africa

Tullow Supply Chain Transformation: Chombe

- Rationale For Project Chombe
 - Legacy manual processes constrained growth
 - Lack of integration across financial & SCM processes
 - Legacy IT systems weak
 - Diverse processes and ways of working
 - Absence of good MI & data
 - Insufficient controls
 - Poor visibility of suppliers, spend, materials
 - No concept of “SCM”
- Chombe and Maximo Scope
 - SCM Transformation to upgrade SCM Processes, Systems, Organisation & Capability
 - New business processes for
 - Requisitioning – “the line”
 - Contracts and Procurement
 - Materials and Logistics
 - Finance integration
 - Invoices
 - Material movements
 - Master Data
 - Design-Build-Operate of Maximo v7 as single global instance solution
 - Global Application Support

SCM Transformation & Maximo

- **SCM Organisation Design**
- **Capability Development**
- **Hiring Program**

- **National Content**
- **Environment**
- **Health & Safety**



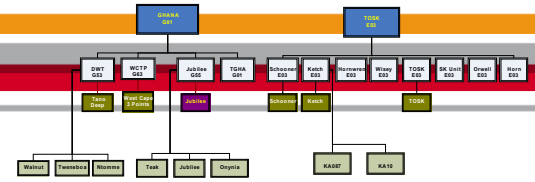
- **Standard Optimised Processes**
- **Procedures & Controls**

- **Demand Planning**
- **Category Management**
- **Contract Management**
- **SPM/SRM**

- **Standard Contract forms**
- **Master Service Agreements for major Categories**

- **Integrated MI**
- **Maximo Reporting**
- **Spend Analytics**

Geographic scope



Multi Org / Site Structure

Maximo
Hosting
Mass., USA
Ontario,
Canada



Dublin  

London
- Europe/North Africa

Ghana 

Uganda 

Kenya 

Cape Town 

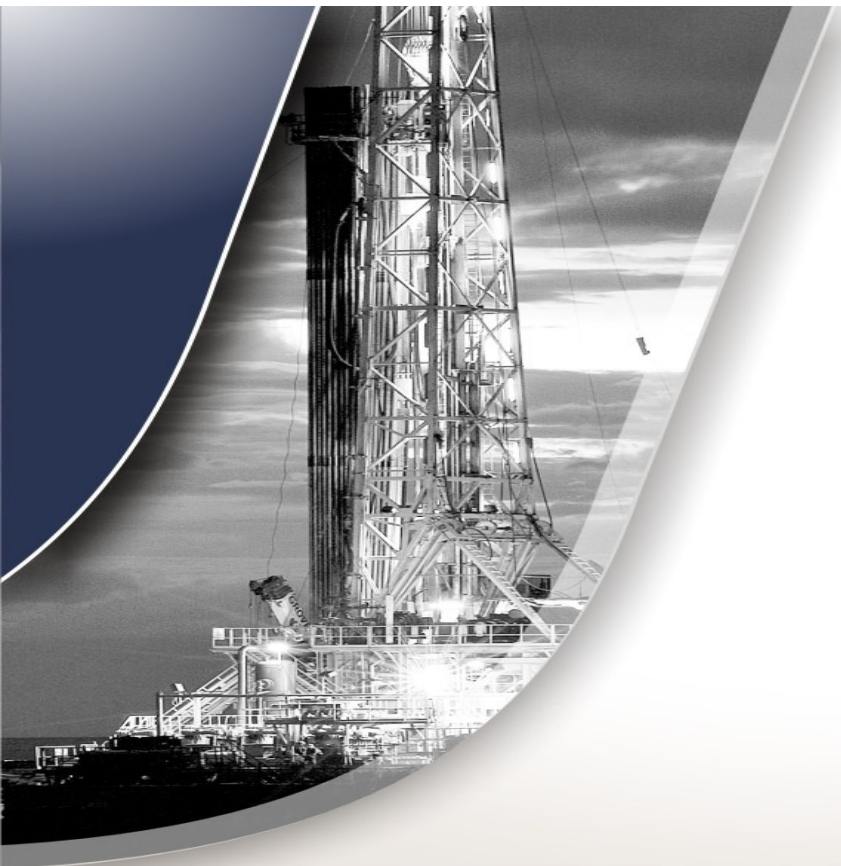
Maximo
Support
Pune, India



Same hosted instance for all, same process for all



Maximo project



James Danaher
Senior Consultant
IBM Global Business Services

Solution Overview

1 Component 1: Supply Chain Operating Model & Business Processes

Component 2: Technical Solution

Phoenix
Document
Management

MAXIMO v 7.1.1.6
Purchasing Management
Contract Management
Materials Management
Invoices

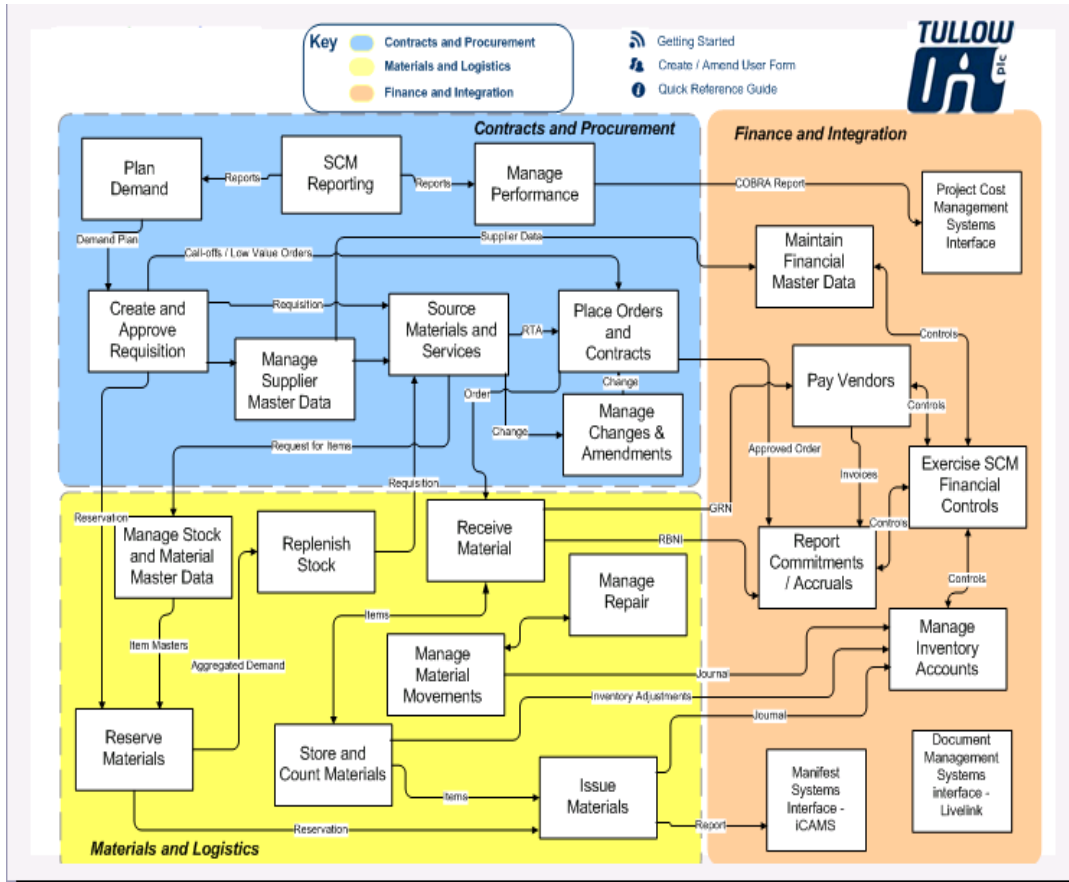
Sun Financials
Chart of
Accounts, Financial
Management

2

3 Component 3: Hosting & Support

Workflow, Delegation of Authority, Linked Documents

Supply Chain Process Scope

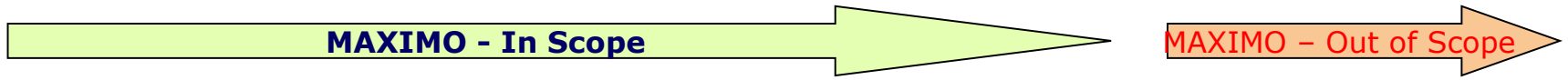
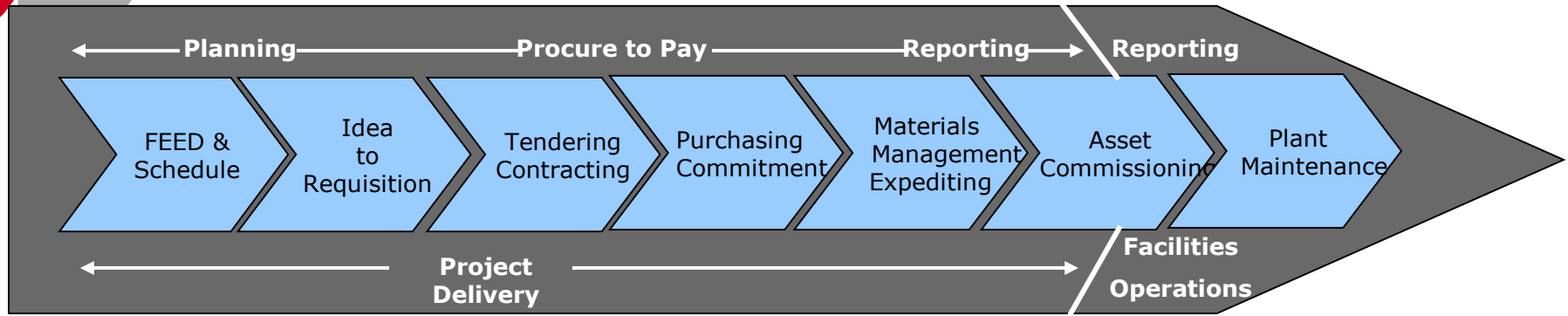


- Unique approach

- Supply Chain focus on Contracts and Procurement and Materials and Logistics

- A transactional backbone before emerging Asset Management needs

Maximo supporting business lifecycle

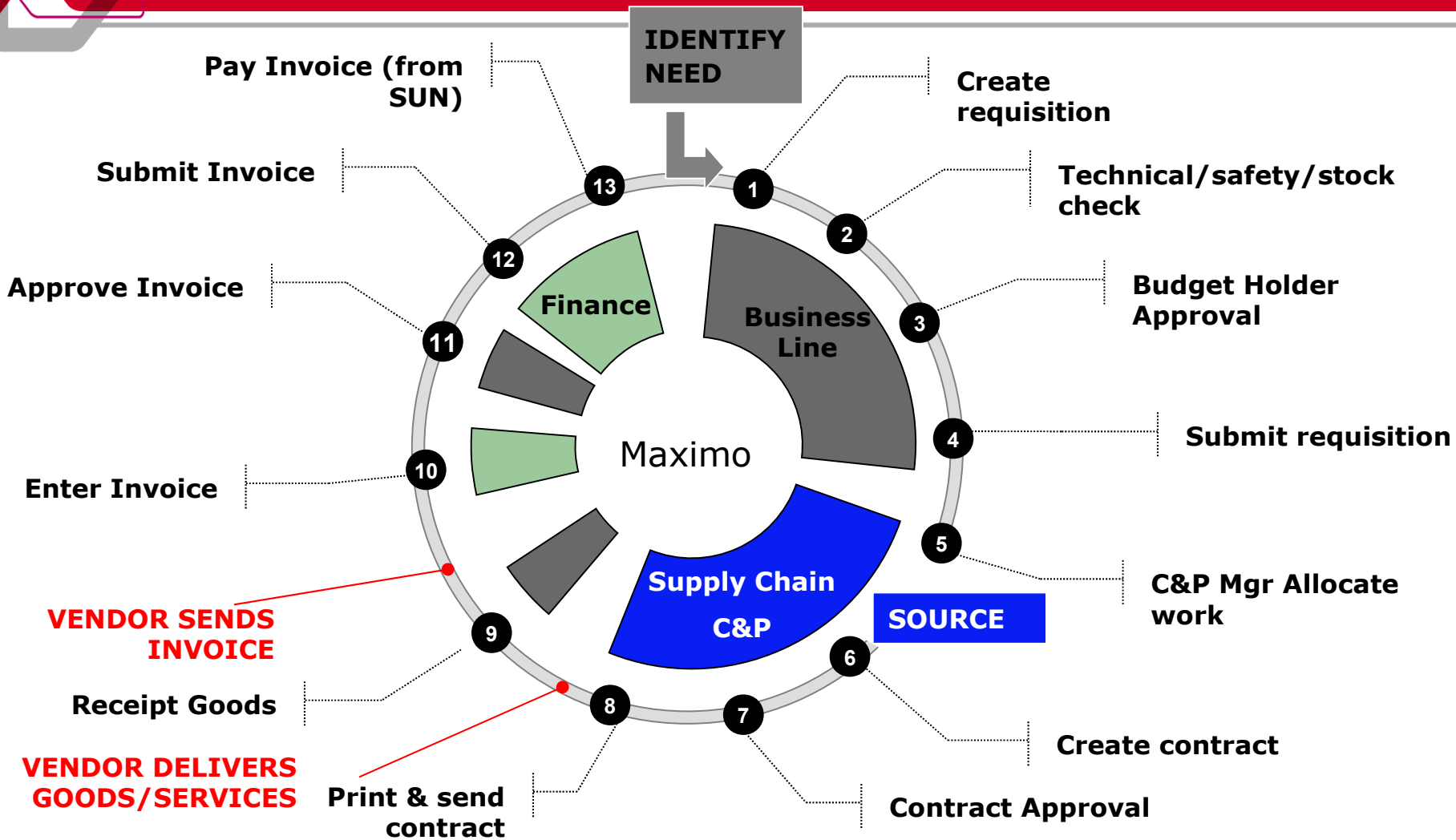


Purchasing	Contract Management	Materials Management	Asset Management	Work Management
Desktop Requisitions Purchase Requisitions Request for Quotation Purchase Orders Receiving Invoices	Purchase Contracts Master Contracts Payment Schedules	Item Master Storerooms Inventory Kitting Issues / Transfers Condition Codes	Locations Asset Failure Codes Condition Monitoring Meters Meter Groups	Service Management

Process Management = Workflow

Performance Management = Alerts, Reports, KPI's

Procure-to-Pay: integrated backbone visibility



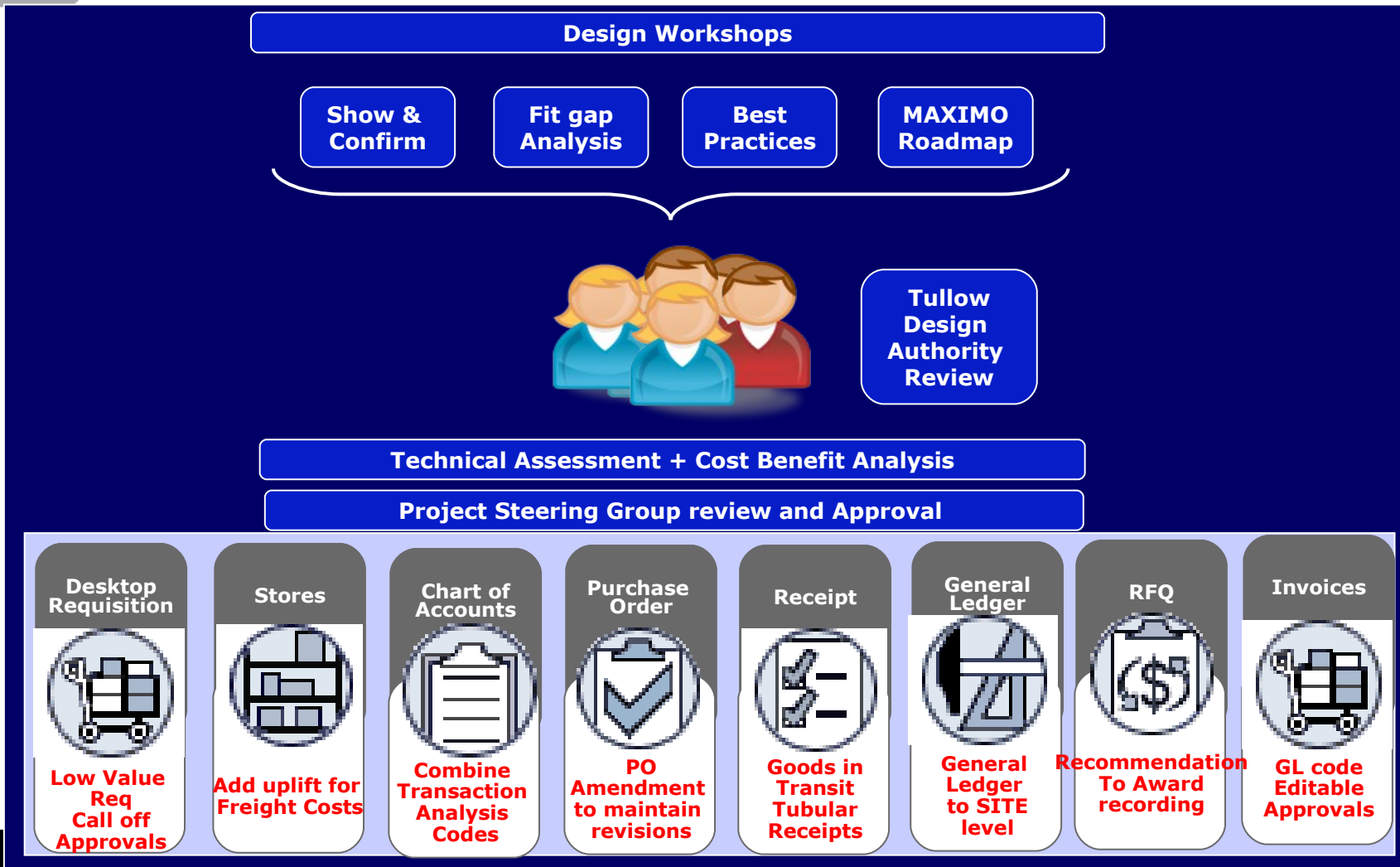
End user simplification

		Requisition approval				Sourcing				
1-Form										
3-Routes										
Low value	1	Option	Option	Option	Option	2	3	4	5	6
Framework Agreement	1	Option	Option	Option	Option	3	N/A		Automated on budget approval	
Standard	1	Option	Option	Option	Option	3	5	6	7	8

Stock reservations

Optimising the World's Infrastructure

Out of the box? ... some enhancements





Deployment



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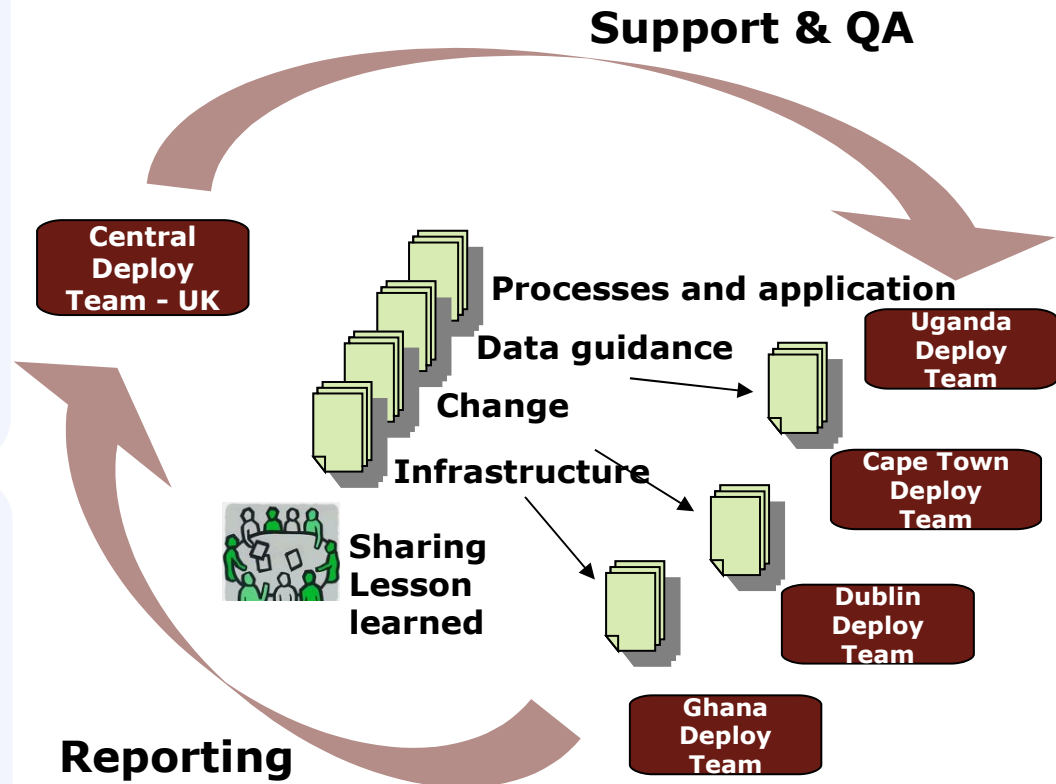
Global Deployment

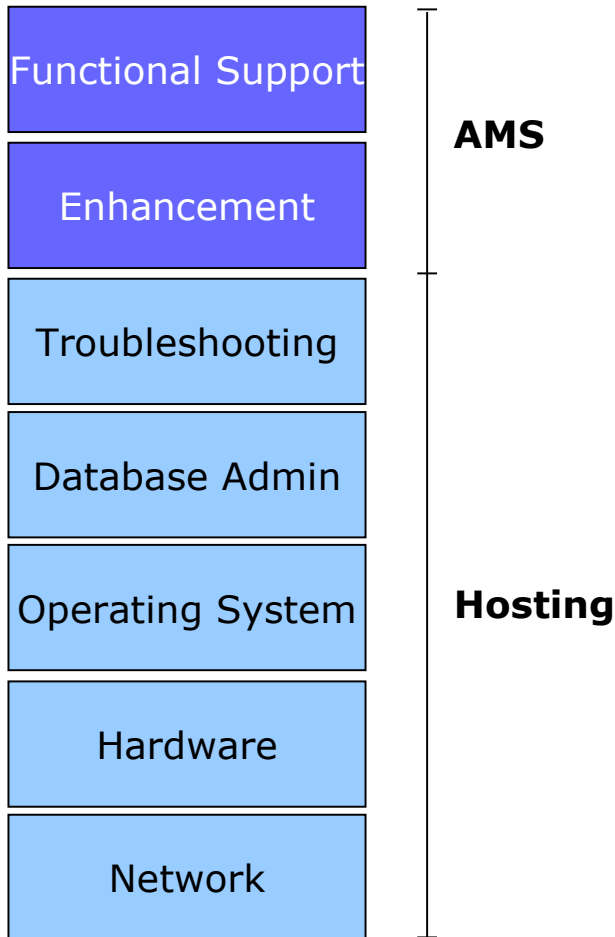
Central Team

- Template and environment stability
- Managing interface with hosting and support and related applications
- Method, lessons learned, manage issues and risks, expert contacts
- Support country implementations; on-site when necessary for specific deployment activities

Local Deployment Team

- Data preparation
- Training
- Responsible for deployments, work closely, support local stakeholders
- Combination of local Tullow and consultant / contractor staff





2nd Line Support (India)

- Tullow Service Desk takes first call / mail on tickets
- First line diagnostic to Tullow helpdesk
- Transition project team members for knowledge retention

Hosting service (USA/Canada)

- No hardware or resources needed within Tullow other than a 'Systems Owner'
- Full DBA and back-ups
- 99.7% availability
- Dedicated centre, know Maximo architecture
- 20 clients, 13 countries

Maximo touches all: business line

ENA Maximo Training – People Trained – 29 Oct 2010

Department		Training Target	Actual 15-Sep	CURRENT% Trained
C&P	Contracts and Procurements*	21	20	95%
Finance	JV Accounting	4	4	100%
	Accounts Payable	7	7	100%
Business Line	Information Systems	9	8	89%
	Corporate Planning and Economics	1	1	100%
	Drilling	1	1	100%
	EHS	4	4	100%
	Engineering	2	2	100%
	Exploration	12	5	42%
	External Affairs/CSR	2	2	100%
	Finance	4	3	75%
	HR	3	3	100%
	Internal Audit	3	3	100%
	Investor Relations	2	1	50%
	P&D	8	8	100%
	Project Controls - London	4	3	75%
Well Engineering	2	2	100%	
Approvers		49	38	78%
Total		138	115	83%

- Training across all departments and functions,
 - from Geologist to CFO
 - from Safety Officer to head of Well Engineering
- Everyone uses
 - same process
 - same system
 - same instance
 - any country
 - any department
- Just in time training
- Develop Super Users

SITE 1, London: Europe and North Africa
Training Dashboard

Change management **made** a difference

Maximo
Are You Ready?



Your Tullow London Super Users are:

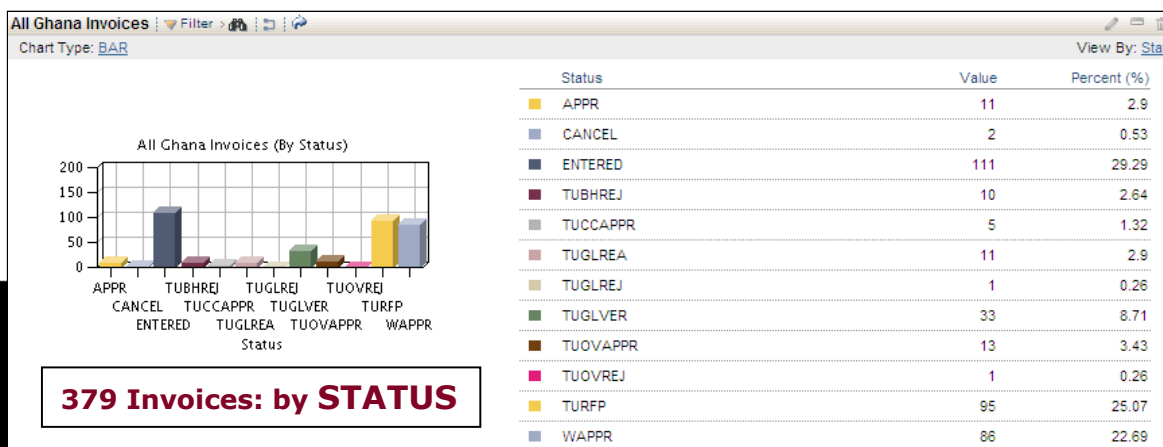
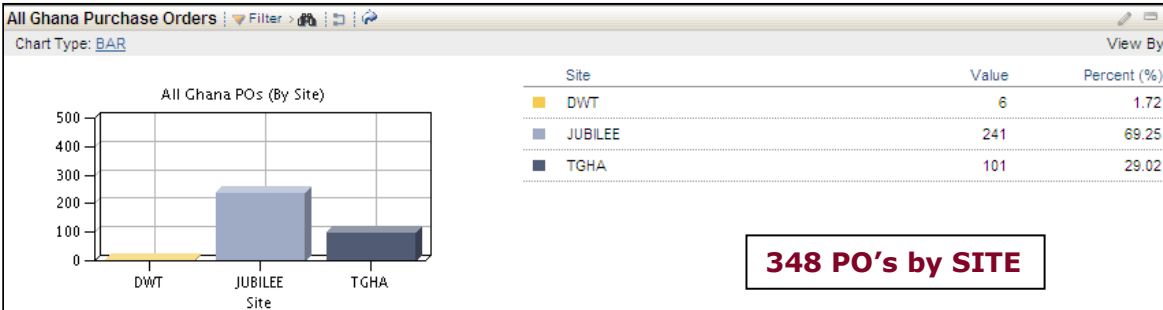
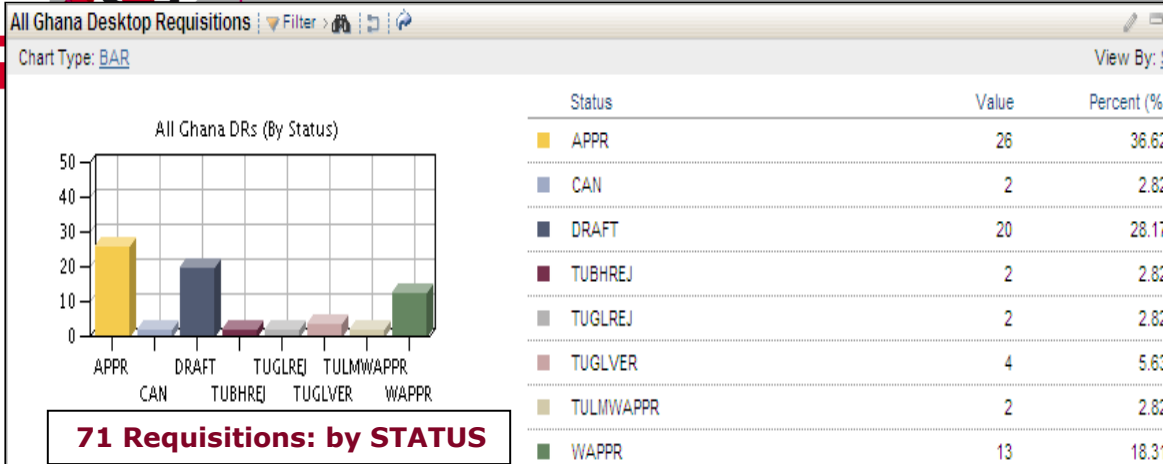
Requisitioning & Receipting Candice Wentworth Jacquelyn Nwike Paul Tait Trudie Seaney	Finance Kylie Braid Karen Caldwell Kevin Gallacher Simon Vernon
Contracts & Procurement Donna Mills Hermione Wade Kevin Findlay Mesbah Khan	Materials & Logistics Martin Ellis

For further information, contact Suzanne Rae



- Local sponsorship
- Business Readiness
 - "Go" / "No Go"
- Super User Briefings
- Hypercare - "Red T-shirts"
- Cheat Sheets
- Intranet Support Pages
- Posters/ Town Hall / Leaflets

Vital Signs and Hyper-care



Go Live

- Daily Wash up meetings - 30 minutes
- Daily "Vital Signs" dashboard to track what is happening
- 2-3 weeks of Hyper-care – covering floor-walking and refresher training
- Tullow team follow ups to take the temperature

Quotes



"Maximo is **making Finance's job easier** through better capturing of data, tracking progress and follow up. People find Maximo **easy to navigate and robust**. Users **like the system**."
- *Uganda Post-implementation Review*

"We have been live for 5 days and it's like we have always had it. The Go-Live was a pleasant non-event"
- *Rob Newcomb, Finance Manager, Ghana*

"The system is as fast in Cape Town as it is in London. I can approve requisitions and invoices wherever I happen to be."
- *Andrew Marks, Chief Information Officer*

"The good thing is that Maximo enforces the correct Delegation of Authority and highlights potential non-compliance."
- *Nicky Breslin, Group Accounting Manager*



Lessons learned



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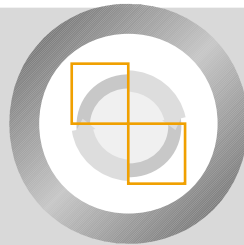
Lessons Learned

Technical Solution

Design Build Test

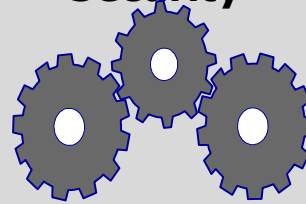
- Early set up of Integrated Design Authority
- Institute a clear system freeze protocol
- Solution must be 'fit for purpose'

Data Readiness



- Master Data Management process
- Integrated approach to data gathering e.g. C&P, M&L, Finance
- Data collection template process, responsibilities and ownership

Infrastructure & Security



- Allow sufficient time to validate user access and security groups
- Clear user role definition and business ownership required
- Performance & connectivity testing must be

detailed

Business Readiness



- Timely Change Management
- Objective Readiness Reviews
- Training close to go live, scenario based
- Super user community build-up and engagement is

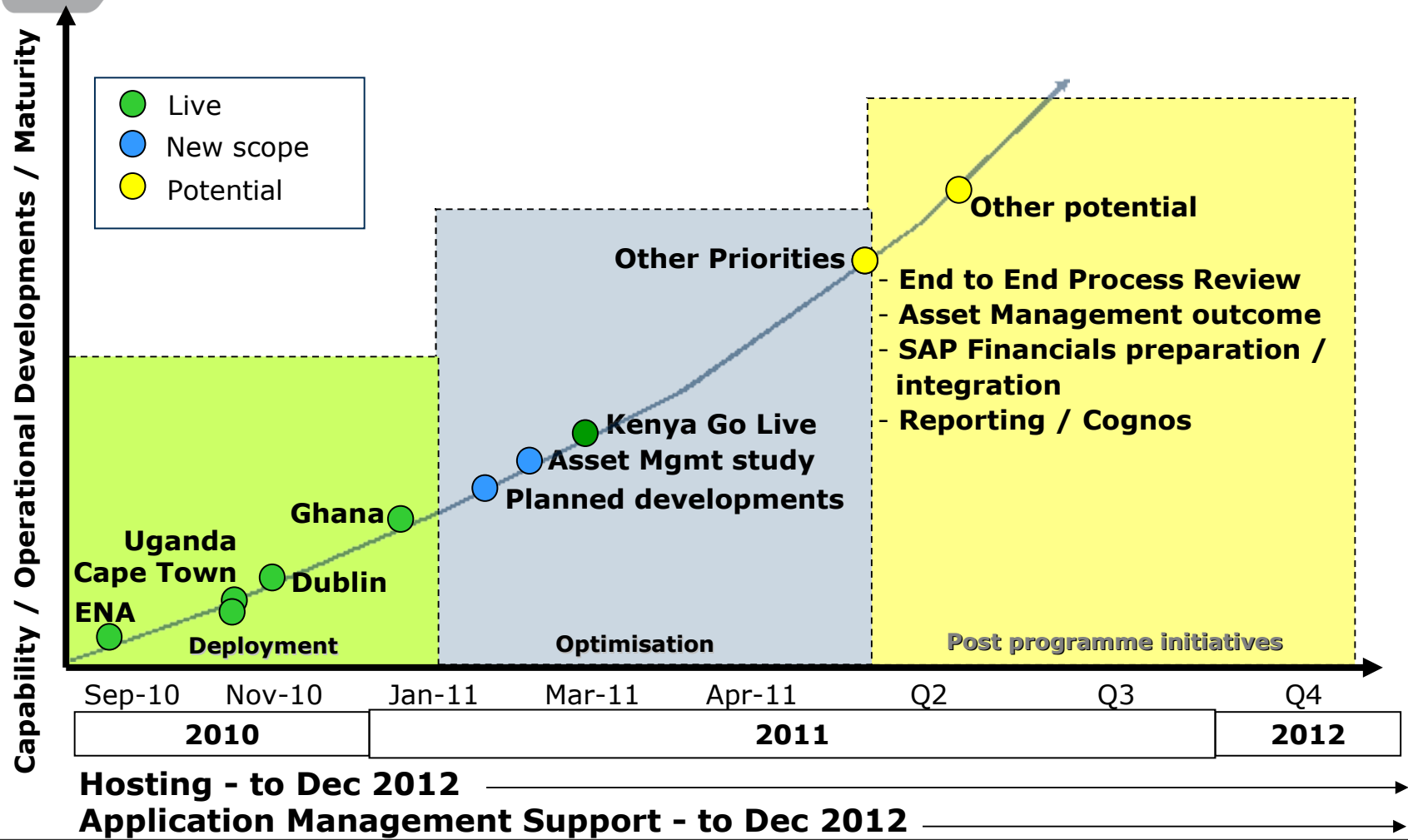
key

Post Go Live Support



- Single point of accountability for post go live preparation & management
- Early design of service desk process to users
- Early set up of System Administrator role

Tullow Maximo Roadmap



Thank you. Questions?

