

Implementing S/4HANA in The New Normal

Maxim Vysotsky



2020

THE IV INTERNATIONAL OIL & GAS
SAP SUMMIT ONLINE

Salym Petroleum



2.65% of Yugra production and **1.18%** of Russian production



89.4 million tons of cumulative oil production



Over **1,500** wells drilled and operated



Over **500** billion rubles of tax payments paid to budgets at different levels



1.2 billion rubles of social investment to presence regions



Over **6000** employees of contractors and subcontractors and **1000** SPD employees work in the Salym group of fields and company offices



Project Necessity

Michael Collins,
CEO

“World-class companies are striving to connect people and data. This is the foundation for digital future. Our ERP system supports both our people and our future.”

Maxim Vysotsky,
Financial and Commercial Director

“I think this project is our first priority. I do not consider ERP a simple reporting system, this is a unified architecture (solution) for all key company processes. By localizing SAP, we at our company are responsible for our future.”

Vladislav Lekomtsev,
Director of Production Department in 2017-2019

“The current system does not meet SPD needs. Process maturity, increased efficiency, new projects require an adaptive, flexible and unique ERP.”

Guido Pans,
Technical Director in 2017-2018

“SAP localization is a great opportunity for SPD to simplify our processes, which creates a more productive organization, and to open up new opportunities of how we use and integrate our data to improve business, quality/price ratio, efficiency and cost optimization.”

Specific Features of Sirius Project

| Project environment

- S/4HANA 1809 Release based on SAP Best Practices
- The system is deployed in SAP HANA Enterprise Cloud (HEC)

| Key challenges and goals

- Before the project launch, SPD has used the ready-made IT landscape and processes of its shareholder (Shell).
- Creation of a local system without any functional loss; revision and expansion of processes.
- The first large-scale IT and business transformation project at SPD.



СИРИУС

Project Team

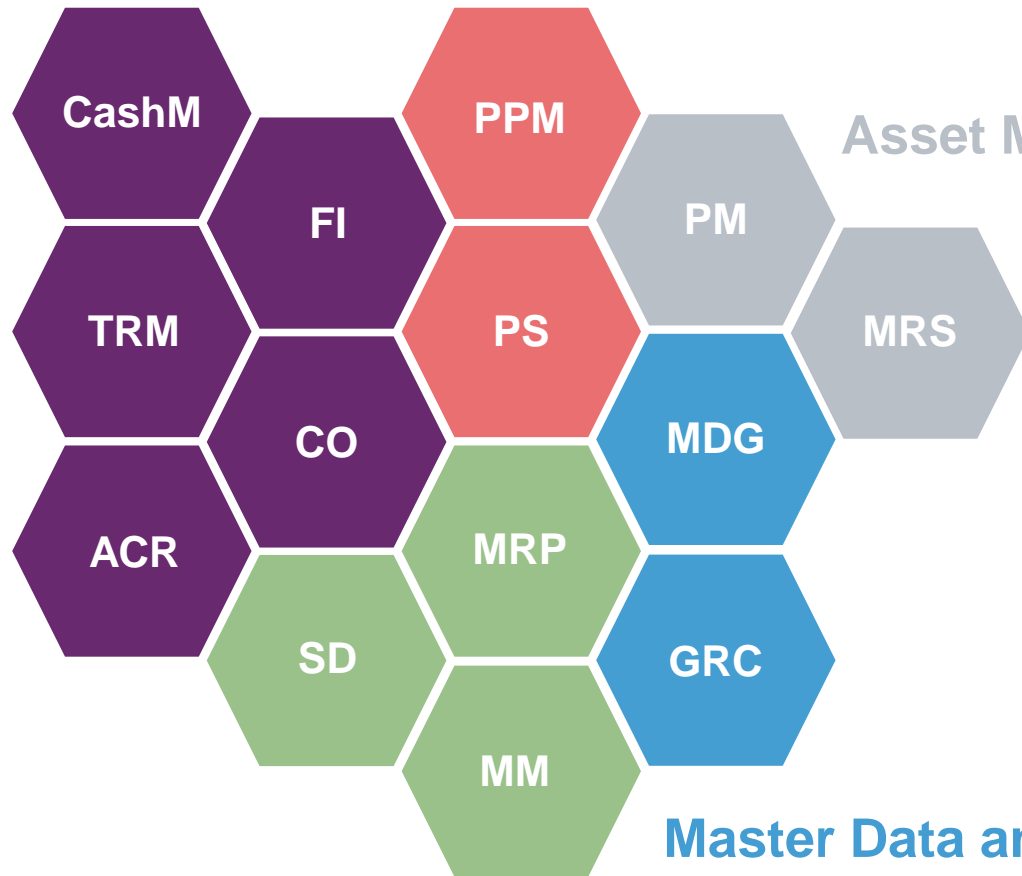


Project Scope

Finance

Project Management

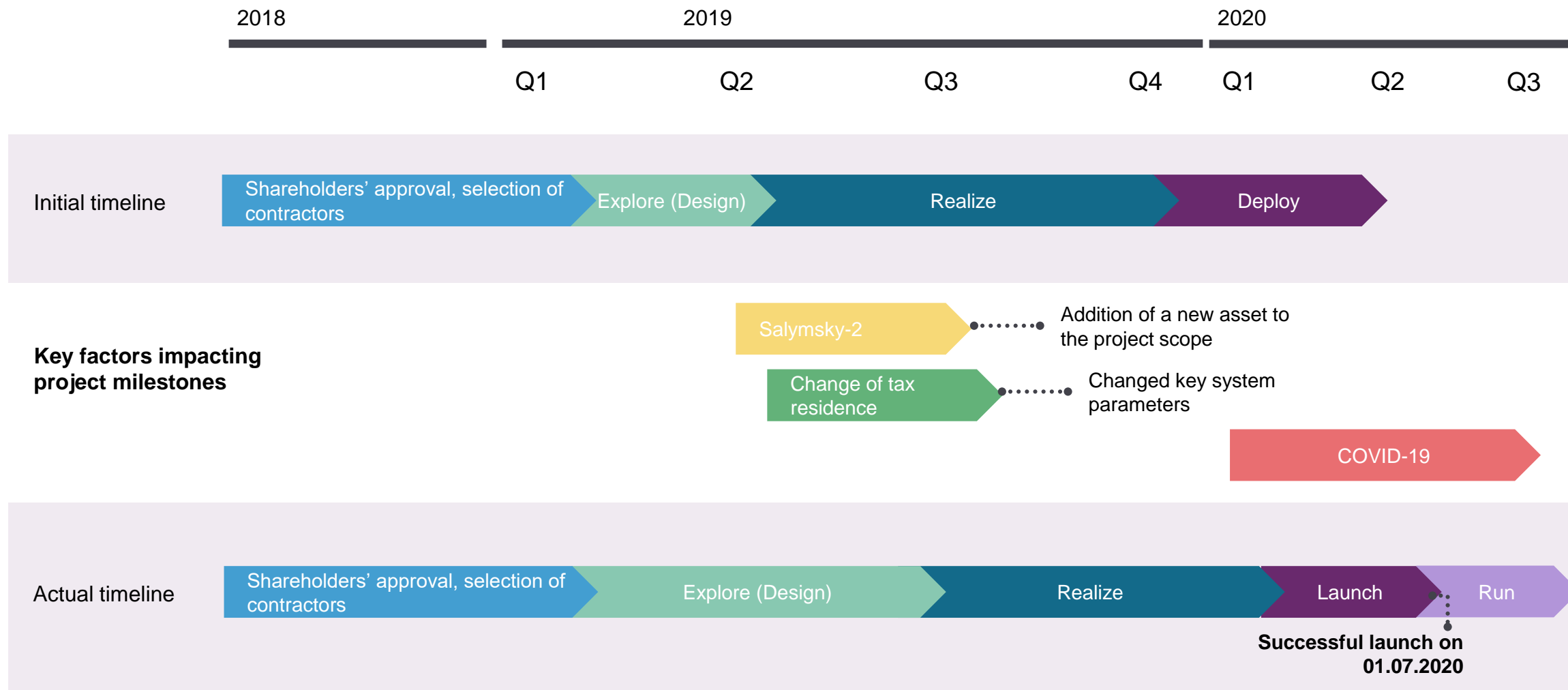
Asset Management



Procurement and Sales



Project Timeline and Driving Factors



Business Transformation



Planning within the system

New disciplines in Plant Maintenance module

PRODUCTION AND PLANNING

True and correct investment information

No purchase orders without requests

FOUNDATION FOR FUTURE GROWTH

Creation of new services

New modules

S/4 Support Master data group

SuccessFactors IBP

Financial transparency for shareholders

High quality of management decisions

EFFICIENCY OF ACCOUNTING PROCESSES

Efficiency calculations

Cluster of wells

All types of accounting

Accounting Taxing
Management accounting
Budget estimates

Position-specific accountability = approval within the system

END-TO-END SYSTEM PROCESSES

Personnel performance

Functional centralization

MRP controllers Service entry sheets
Materials write-off Project services



Lessons Learned

- Define the expected project value and make sure that it is supported by all project stakeholders.
- Make sure that some team members are able to drive the project. The entire organization is never ready for large-scale changes.
- Spend more time on generation of hypotheses and their testing. Non-typical cases and unforeseen gray areas always occur in business processes.



Is it worth launching a project in new normal?

- Unstable environment is the best time for business transformation projects.
- External market volatility is a great change driver for the entire company.
- By transforming during a crisis, a company has more chances to introduce innovative changes and gain a competitive advantage.



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ПЕТРОЛЕУМ

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