

ORACLE

Effectiveness and  
efficiency across the  
energy value chain

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# Energy transition:

Our generation's defining challenge

The world needs more energy and less carbon, a dual demand that's driving change for oil, gas (O&G) and energy companies like yours.

To stay relevant in the market, energy companies need to decarbonize their asset portfolios. To remain competitive, they must raise effectiveness and efficiency levels across their energy value chains.

**Effectiveness** to connect processes and people across more diversified energy value chains, increasing quality, reliability, responsiveness and embracing new ways of working.

**Efficiency** to cut costs, reduce complexity, and mitigate risk and uncertainty.

Achieving these goals requires urgent transformation of business models, operations, and product offerings.



## Radical change is underway

Change is already afoot in O&G, reinvigorating the industry as it navigates the energy transition. Digitization and decarbonization are transforming the energy value chain as we know it.

Established O&G companies are making inroads towards renewable, sustainable energy. They're embedding digital innovations that streamline hydrocarbon production and driving operational efficiencies to improve cash flow from operations while reducing carbon intensity.



## Oil, Gas and Energy's pivotal role

Businesses across all industries must continue to power progress across our planet in response to customer needs and societal concerns.

But it's mainly O&G and energy companies like yours that must play a pivotal role in creating positive and sustainable change.

However, it does not happen overnight, as the CEO of a large European energy major recently stated. It takes imagination and courage. It involves funding innovation, greater portfolio flexibility, better carbon capture and reduction, and significant increases in operational effectiveness and efficiency.

## Energy leadership is energy change

Industry champions are transforming fast, embracing new, more agile operating models. And they're harnessing the power of cloud-based data-driven technologies and using them to connect the entire organization and optimize their energy value chains.

Today's cloud solutions are cost-effective and yield immediate and practical results. They do this by combining IoT intelligent edge computing and machine learning, for example, to power predictive analytics, making assets more reliable and cost-efficient, and lowering maintenance costs. Or by connecting disparate systems across the organization and centralizing data, transforming capital project planning and delivery.

The cost of not transforming is high, however. It really is 'transform or die' - and time for change is running out fast as competitors rapidly adapt. But with the right cloud and application solutions in place, you can accelerate the speed, and reduce the cost and risk, of the transition.

# Key transformation challenges

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As O&G and Energy companies pursue energy transition, they face four key transformation challenges. If resolved, the outcomes will take them forward in strength.

## Challenge 1: Manage portfolio shift and diversification

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**Outcome:** Move beyond fossil fuel sources into decarbonized products like wind, hydrogen and solar to create new sources of competitiveness, revenue and client value.

## Challenge 2: Control demand and supply disruption and price volatility

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**Outcome:** Respond quickly and efficiently to market conditions and customer demand, applying financial controls to counter price uncertainties, and operational controls to manage production, logistics and global supply chains.

## Challenge 3: Streamline and simplify operations and corporate functions

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**Outcome:** Reduce cost baseline and improve productivity through connected, simplified and centralized processes and systems like cloud-based Enterprise Performance Management (ERP).

## Challenge 4: Attract, develop and retain industry talent

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**Outcome:** Fill the talent gap and enhance capabilities to future-proof the business, and make the energy transition a competitive strength that attracts and retains industry talent.

# Four big moves that should be part of your transformation strategy

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The energy transition is an opportunity to introduce technology innovations that carry financial advantages for the organization, such as cloud infrastructure, data centralization, and intelligent automation.

Oracle's cloud-based solutions for O&G offer digital innovation to automate transactional processing and enable strategic, actionable insights.

## 1 Embrace business model innovation

Cloud ERP, for instance, gives decision-makers timely, accurate information and enhances real-time decision making and business course correction.

## 3 Accelerate an automated close

Cloud solutions with machine learning and intelligent process automation can help you close faster and with greater accuracy for big moves such as acquisitions.

## 2 Capitalize on M&A and divestitures

Finance must act with precision. Having a single, trustworthy source of financial truth helps to assimilate new data and processes from M&A targets, new divisions, etc.

## 4 Build a risk-intelligent culture

Managing risk in an era of data proliferation starts with a well-integrated risk management approach to security, risk, and compliance, to protect critical ERP and other sensitive data.



# How O&G businesses are using Oracle solutions to reinvent themselves

National Oilwell Varco transforms 30 disparate ERP systems into a single global instance

National Oilwell Varco is a multidisciplinary manufacturing company that provides tools, advanced equipment, technical expertise, and operational support to the O&G drilling and production industry.



## Challenge

Migrate more than 30 disparate ERP systems down to one that can support the Rig division's global O&G business and provide continued business availability.



## Approach

Replace 30 unsupported legacy systems from various acquisitions with Oracle Financials and Oracle ERP, run and managed by Oracle Managed Cloud Services.



## Result

A single global instance capability that supports daily operations and accurate, forward-looking executive decision making, that IT can use to support strategic business initiatives.



# How O&G businesses are using Oracle solutions to reinvent themselves

Fugro Norway streamlines complex planning and budgeting processes with Cloud EPM

Fugro Norway provides specialist survey, positioning, construction support and metocean services, principally to offshore projects and customers.



## Challenge

Customize and streamline financial planning and budgeting after the sale of a large division, with an effective and lean IT infrastructure that can be managed by an IT team halved in size.



## Approach

Introduce Oracle Cloud Enterprise Performance Management Planning, and Oracle Planning and Budgeting Cloud Service.



## Result

The company now has an IT environment built to evolve, that can be handled easily by a smaller team. It streamlines management of complex planning and budgeting processes, saves time, reduces risk and uncertainty, and improves decision-making.

# Oracle's connected energy solutions

Resilient, secure, agile systems – built to evolve; built for the future.

- **Oracle ERP to improve margins, speed and operations across the energy value chain**  
A modern, cloud ERP suite with advanced capabilities like AI and analytics; with Connected Planning to model and plan across finance, HR, supply chain and sales; and ERP to improve reporting, speed and operations.
- **Supply Chain Management for rapid response to changing energy market conditions and demand**, featuring Supply Chain Planning, Supply Chain Logistics and Integrated Business Planning & Execution to plan ahead, improve resilience, and outpace change.
- **Human Capital Management to attract and retain the industry's best talent**  
A complete solution connecting every HR process from hire to retire including Strategic Workforce Planning to cope with talent supply chain shortages.
- **High-Performance Computing to act and capitalize on emerging energy opportunities**  
Powerful, faster and cost-effective computing capabilities to solve complex mathematical and scientific problems such as seismic image processing and interpretation.

Oracle's connected energy solutions are designed to help O&G and Energy companies to successfully make the energy transition in a way that benefits the business financially and operationally. Our cloud application portfolio can help you overcome your transformation challenges, embed greater flexibility and speed into the organization, and give you an IT environment that's ready to evolve.





# Ready to transform?

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To find out more about how we can assist with your transformation for the energy transition, [click here](#).

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