Pre-built SAP O&G solutions - ideal options for SME markets

By Chandrasekhar Chebiyyam, Consulting Partner, Wipro Limited 1st Sept 2018
The oil & gas business landscape across the globe consists of a sizeable number of businesses in the small to medium enterprise (SME) sector. While these businesses could benefit significantly from SAP solutions that are currently widely utilised only by large enterprises, the size and scale of SAP implementation projects is a major deterrent for the SMEs. Not only is the capital expenditure required far too high for the majority of SMEs to deploy these solutions, but the typical implementation duration could be as long as twelve months – and this is really not practical for the SME segment. Pre-built solutions and services, offered as Cloud-based subscriptions, ensure that SMEs can rapidly deploy and benefit from best-in-class SAP solutions. With the entire services and solution packaged into a subscription, SMEs can avoid any capital expenditure (CapEx) and incur the cost of deployment and subsequent use of the solution as an operating expenditure (OpEx).

**Pre-defined scope of the solution is vital**

Pre-built solutions typically cater to a prescribed scope, covering all the standard processes that a small to medium oil & gas enterprise could have. Service providers can preconfigure and build a solution for such prescriptive scope to facilitate rapid deployment. The pre-built solutions should also include any mandatory customizations required to meet typical industry needs. During deployment, the SMEs can also have these pre-built solutions augmented with further customised functionalities to meet customer specific requirements.

The deployment timelines will be minimal if there are no major gaps between the prescribed functional scope of the solution and the actual business process requirements of the SME. The service providers should conduct a discovery workshop with the SME initially to assess the gap, and then publish the deployment plan.

**Supply chain solutions “in a box”**

The IT needs of SMEs are similar to those of large enterprises, and new technology solutions are critical for them to stay competitive. The challenges for SMEs, however, include limited resources, tight budgets and the need for fast turnaround times, which take many leading IT solutions out of their reach. Overcoming these time and cost challenges is vital to their success.

This is where pre-configured, near ready-to-run SAP solutions that conform to industry best practices can be very beneficial to SME segments. SMEs looking for simple-to-use and lower time-to-implement supply chain management options can adopt these SAP solutions-in-a-box and drastically reduce implementation time and overall costs. These solutions can be delivered via the cloud, and SMEs can purchase them as a subscription service that covers infrastructure hosting, product licenses and system integration services, including warranties. With the ‘near-ready-to-run’ feature, the solution can be deployed in as little as four to six months. The solution-in-a-box can thereby help SMEs lower their total cost of ownership and minimise overheads.

**Opex advantage - All of the power with none of the capital cost**

Utilising a pre-built solution-in-a-box means that SMEs are able to roll out significantly more effective industry best practices at an affordable operating cost, with no capital expenditure. The solution is delivered as a service, enabling it to become an operational expense rather than a large capital outlay, and also allowing SMEs to use the solution on demand for a predictable monthly fee.

**Scalability & flexibility - Cloud is a key enabler for solutions ‘as-a-service’**

As service offerings have matured, supply chain management solutions have evolved to a state where they can now be offered on a subscription basis, with cloud hosting as the central component. This enables SMEs to completely eliminate the need for any capital expenditure, making best-in-class solutions affordable and viable for this market. Cloud offerings have the inherent benefit of being scalable and hybridised for each customer’s needs. Business processes, user licenses, server storage space, etc., can be scaled up or down on demand and to requirements. Servers can be delivered through full cloud solutions as well as mixed
infrastructure, with servers hosted on premise for production environments and on the cloud for development environments. A flexible and scalable solution also means the customer can choose to include additional processes beyond supply chain management if required. SMEs can now also leverage the new S4HANA technology, resulting in faster processing, better analytics and reporting options, and improved simpler front end user interfaces such as Fiori.

Rapid deployment builds competitive advantage

Rapid deployment solutions delivered as a pre-built SaaS offering can dramatically cut set-up and deployment times to a few months, and can also cut down capital expenses when managed as a subscription service. This means a reduction of between 40% and 50% in terms of time and cost to deploy the solution.

The subscription based offering from service providers should also be flexible enough for the SMEs to opt for only the implementation services and warranty of the pre-built solution, allowing them to procure and arrange the product licenses and/or infrastructure independently if required.

SMEs can directly access and adapt global and industry-leading business processes by opting for such pre-built RDS solutions instead of reinventing their own business processes. This ability to adapt – and much faster – can be a unique advantage for SMEs over large, global conglomerates who take longer to change the way they work and the processes they follow.

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Chandra Chebiyyam is a Consulting Partner, Energy D/S COE at Wipro Technologies, with 29 years of total experience. His professional experience began as assistant executive engineer (Production) in Oil & Natural Gas Corporation Ltd, a National Oil Company in India, and he has worked in various areas such as surface operations covering offshore 3-phase well production & testing, gas processing refinery operations, acid gas treatment, sulfur recovery, reservoir maintenance, water injection, gas compression operations and IT automation for over 15 years.

The last 15 years of experience is related to IT within the O&G space, and range from functional design and consulting, implementations, client engagement, project management, POC and solution building, pre-sales, solution architecture and training, spanning across SAP and several non-SAP applications. He is an SAP Certified Application Associate - supply chain planning and execution with SAP for oil & gas.

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