

Case Study

OGN GROUP ENGINEERS SUCCESS WITH SAP BUSINESS ALL-IN-ONE



Implementing SAP Business All-in-One with SAP Gold Partner, G3G, has revolutionised the way OGN manages its complex engineering projects, without an increase in staff.

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“We will also make tangible cost savings going forward, as we will be able to replicate the processes in every project we undertake.”

“Saying we have SAP inspires confidence in our clients.”

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“...We had a fixed cost, rapid deployment of the SAP solution and were up and running on a live system in just four months.”

World Class Engineering, Procurement and Construction

Offshore Group Newcastle Limited (trading as OGN Group) is a UK company working within the offshore oil & gas and renewable energy industries. OGN Group is dedicated to delivering solutions for complex industrial projects to the offshore energy sector. It provides a range of professional services including engineering, design, procurement, project management and construction. OGN Group’s key focus is to develop long-term relationships to support clients’ long-term objectives by providing an integrated, cost-effective and flexible approach to these services.

The company’s professional team, UK offshore construction facilities and its integrated approach to engineering, procurement and construction (EPC), has enabled OGN to grow quickly into a highly successful company.

“Our objective is to deliver world class engineering, procurement and construction solutions to the offshore energy sector.”

Dennis Clark, Chairman, OGN Group

“Be safe, work safe, home safe”

OGN’s motto “Be safe, work safe, home safe” reflects the importance OGN places on the health and safety of employees and stakeholders. The company strives to ensure all of its operations are carried out safely and efficiently with no harm to people or damage to plant, equipment or the environment.

Fit for purpose designs optimised by OGN’s in-house engineering team allow the company to cleverly integrate design, procurement and construction processes. This allows OGN Group to meet the most demanding delivery schedules of complex client projects.

Yet OGN’s legacy accounting system and paper-based, manual processes were proving to be a stumbling block for OGN as it endeavoured to grow its operations. Management accounting and project management were conducted via spread sheets, and a lack of integration across business processes threatened to limit the integration and efficiency offered to clients.

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The growing inefficiencies and productivity issues in inventory management, materials management and material traceability, meant that it was easy to build a business case for investment in an integrated business solution. The company needed to demonstrate that it could handle its current projects and ensure that prospective clients would be confident in OGN's processes such as risk management, internal controls, project management and reporting.

Filling this gap in the capability of its business systems became critical for success to OGN.

As Richard Glasspool explains, "We were already behind the curve in terms of producing our business and finance reports in a timely fashion. This, as well as the growing number of new staff, sub-contractors and business contracts, prompted us to search for an appropriate ERP package."

The regulations regarding construction of facilities to be used in the Oil and Gas industry are onerous, with substantial implications if material traceability or integrity cannot be fulfilled. OGN can now maintain accurate and detailed records for all its materials, which greatly reduces risk associated with materials management.



SAP puts OGN in a great position when bidding for new business

After a competitive search for a business solution and a long engagement with SAP Gold partner G3G, OGN selected SAP Business All-in-One to improve its business processes.

Many of the executive team had previous positive experience of SAP, and knew the value and benefits that SAP can bring to a company. The industry acknowledgment of SAP delivering best practice processes therefore puts OGN in a great position when bidding for new projects.

"We required a robust and scalable solution that could manage all our costs and materials. We selected SAP because it was clear it could deliver this for us."

Being able to fix the scope of the cost of the implementation was important to OGN. G3G's proven Rapid Deployment Approach, an extension of SAP's Rapid Deployment Solution, was adopted. This utilises best practice business processes, which enabled the scope and deliverables to be quickly and easily defined. This meant that G3G could offer a fixed price and the solution went live in just 16 weeks. It was important to preserve the project deadline, stay on budget, and quickly achieve business goals. The ability to activate new functionality when it was needed was also attractive to OGN.

Richard Glasspool, Director, OGN Group says, "We knew that SAP solutions were scalable and customizable. Our research also showed us that SAP solutions were process-centric, which was exactly what we needed to introduce into our business. We knew that we would be getting the latest technology, and that we could partner with SAP with confidence."

Detailed planning and rapid deployment equals implementation success

SAP Gold partner, G3G, spent a considerable amount of time with OGN prior to the project launch to understand the key requirements. They were able to devise a detailed implementation strategy which included advising what details to carry over from OGN's legacy accounting system into SAP Business All-in-One. G3G also identified which change requests were a priority and which ones should be left until after go-live.

"There is no question about G3G's knowledge and professionalism, or the chemistry between our two teams. The rapport was excellent, the support throughout the project was of a very high standard, and the partnership was an intrinsic part of the successful project."



In addition, G3G used their enhanced extensions of SAP's RDS templates to streamline and expedite the implementation. This process introduced weekly meetings to assign and review tasks, and to highlight any problems.

"With the RDS approach we always knew what our actions were. It was an intense process but, at the same time, simple and pragmatic. We knew what was in scope and what wasn't. We got to exactly where we needed to be, one step at a time. The fixed scope and cost of the project meant that nothing was overcomplicated. The preconfigured content and templates delivered superb functionality with minimal need for customisation."

"The implementation absolutely went to plan. I can't think of one major hitch throughout the entire process. We'd heard war stories about big ERP projects – about spiralling costs and lengthy implementations. But that was not our experience at all. We had a fixed cost, rapid deployment of the SAP solution and were up and running on a live system in just four months."

Great business control and freedom to unleash new functionality

OGN selected SAP Business All-in-One, a solution specifically designed to provide small to medium businesses with functionality to suit their needs. They chose G3G as the SAP partner based on their experience and track record in delivering business value in weeks.

"SAP Business All-in- One really caught my imagination. Having the ability to select the business processes and functionality you want in place right now, and then unleash new functionality incrementally, helped us build a clear business case."

OGN now benefits from the extensive experience G3G has working with SMEs using best practise processes and SAPs industry-specific configuration of Business All in One, which includes production planning and control, and materials management.

The solution met the immediate needs of OGN in procurement, inventory management, projects and finance. The system users are fully confident in the solution, trusting the data that they extract to be accurate and insightful.

"We knew our immediate needs would be met with SAP Business All-in-One, and that we would also be prepared to cater for future business requirements."

Huge efficiencies gained and business process costs reduced by 25%

OGN has made significant efficiency savings in terms of labour intensive tasks. For example, OGN had limited visibility on what materials they had and what they needed. SAP Business-All-in-One has drastically improved the business insight in this area.



"We are a joined up organisation now, we have broken down departmental silos, and reduced the cost of our business processes – from procurement to materials – by at least 25%. We will also make tangible cost savings going forward, as we will be able to replicate the processes in every project we undertake."

OGN now has much improved and timely project accounting, which makes a huge difference to how the business is run. OGN has much improved and faster access to vital information, which enables the executive team to make informed business decisions.

"We can see what is coming up and where we need resources, which all impacts the bottom line. The implementation has also had a big impact on potential clients. "When we try to pre-qualify for projects, all the boxes are ticked in terms of project reporting and administration, and process control."

OGN also estimates that a 25% increase in staff would have been required to manage multiple projects, if manual systems and processes had remained.

"Our traditional labour intensive, manual business processes would not have supported us for much longer. We would not have coped without SAP."

Maximising OGN's investment

OGN is now working with G3G to look at ways to drive further value from the SAP Business All-in-One solution.

"We liked the scalability and flexibility of SAP from the beginning and we're looking forward to being able to respond even better to our clients' needs as we continue to customise the solution."

"This has been a transformational project. We now have a proper end-to-end system from procurement to materials. We're excited to see what else we can do with the solution!"

"The solution's modular approach allows us to look at things on a case by case basis. In an incremental way we get a better and better solution. And of course it's all integrated and we are dealing with just one company for all the technology, so we have a lower total cost of ownership."

ABOUT OGN GROUP

Offshore Group Newcastle Limited (OGN Group) is a UK company providing engineering, procurement and construction (EPC) services within the offshore oil & gas and renewable energy industries.

OGN Group enjoys extensive experience of its team along with one of the best UK offshore construction facilities. At present OGN is involved in a number of major projects including a jacket foundation for a new offshore oil and gas platform, a Floating Production Storage and Offloading vessel (FPSO) and the fabrication of a process module for an existing oil and gas platform in the North Sea.



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