

Financial Systems Trends in Oil and Gas

WellPoint IFS Launch

January 2005

Corvelle Management Consultants

Corvelle



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- Partner
- Information technology related management consulting
- Project management and systems development
- Over 25 years in oil and gas systems

Agenda

- Financial Systems Doldrums
- Key Issues and Trends
- Out of the Doldrums
- Actions to Consider

Strengthening oil & gas financial systems

Financial Systems Doldrums

- Oil & Gas industry preoccupied
- Existing products adequate
- Vendor Direction
- Market uncertainty

Marketplace unchanged for a long time

Key Issues and Trends

- Tightening Compliance
- Shifting Geographic Focus
- Maximizing Value
- Improving Decision Making
- Pervasiveness of the Internet

A demanding agenda for financial execs

Tightening Compliance

- *Description:*
 - ▶ Sarbanes-Oxley
 - ▶ SEC, OSC etc.
- *Financial Systems Contribution:*
 - ▶ Enhanced reporting and documentation
 - ▶ Quality financial processes
 - ▶ Improved controls and security

Shifting Geographic Focus

- *Description:*
 - ▶ Growing international and offshore focus
 - ▶ Increasing E&P opportunities
- *Financial Systems Contribution:*
 - ▶ Multi-company, multi-currency, multi-language
 - ▶ Consolidated budgeting and reporting
 - ▶ Remote accessibility through the Internet

Maximizing Value

- *Description:*
 - ▶ Maximizing value through mergers, acquisitions and divestments
 - ▶ Creation of oil and gas trusts
- *Financial Systems Contribution:*
 - ▶ Automated conversion utilities
 - ▶ Electronic data rooms
 - ▶ Financial modelling tools

Improving Decision Making

- *Description:*
 - ▶ Better informed and timely financial decision making
- *Financial Systems Contribution:*
 - ▶ Integration of applications, data and the Internet
 - ▶ Enhanced analytical and reporting capabilities

Pervasiveness of the Internet

- *Description:*
 - ▶ Easy access to external financial information
 - ▶ Increasingly mobile and remote workforce
- *Financial Systems Contribution:*
 - ▶ Improved productivity and communications through e-commerce
 - ▶ Effective remote access to applications

Out of the Doldrums

- Improvements in system development tools and techniques
- Richer outsourcing alternatives
- Pent-up demand for improvements
- Microsoft and Wellpoint have entered the financial solutions market

Entering a new era

Actions to Consider

- Assess your current financial systems
- Evaluate your marketplace options
- Strengthen your situation by acting on your findings

Maximizing value in the new era

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