Chapter 2
EIS Implementation in a Major UAE Oil Producing Company

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EXECUTIVE SUMMARY

This major Oil and Gas producing company in the Gulf went through an implementation experience of EIS system in 2005. The EIS Implementation involved the replacement of the existing Maintenance, Supply, and Commercial system with a new EIS and an upgrade of the HR and Financial systems to the latest releases. The exercise was prompted by management's desire to replace the outdated ERP system in order to address shortcomings in functionality, to control the high cost of upgrades and modifications, and to enable implementation of the newly formulated Maintenance Policy. The project was deemed a success, even though it took longer than planned and the results were less than anticipated.

ORGANIZATION BACKGROUND

EIS evolve and develop to cater for the requirements of companies large and small. The Gulf Oil and Gas Company involved in this implementation is a major producer of oil, and of gas to a lesser degree, from marine fields in the Gulf.

The company headquarters are situated on the mainland with wells scattered over large marine areas and serviced by steel structure platforms and land based storage and processing facilities as well. Plants and facilities of the company are of considerable age, which makes maintenance efforts a major factor in the safe and economical production equation.

The company is an operating company on behalf of the Shareholders in the concession. The Company is headed by a Chief Executive Officer under the direction of a Board of Directors and assisted by a number of advisory committees.

Under the CEO, there are a number of vice presidents assisted by a number of managers. Apart from service and support divisions, e.g. Maintenance, Human Resources, Finance, Information Technology, General Services, Management Services, and Public Relations, there are separate divisions for each of the production sites. The production sites enjoy a certain degree of autonomy within standard company strategies and policies. Sites are custodian of the plants and facilities with maintenance responsibility entrusted with the Maintenance Division.

The company is a major Oil producer in the region contributing a major share of revenues to the country. Production and exploration policies are formulated by the shareholders to best serve their interests with the priority for the interest of the host country, populace, and environment. To achieve these goals the company strives to utilize world-class processes, policies, and ideas.

SETTING THE STAGE

Operations of the company are centered on the production of oil and gas after exploring and location of deposits in the concession areas. Drilling is the most costly activity in the oil production process, which makes planning an essential activity. Plans for the drilling operations for new and work-over wells are usually developed for a period of five years. The shareholders must review and approve budgets. Production policies are reviewed regularly to keep astride international markets regarding demand volumes and prices.

Extracted oil and gas undergo a number of treatment processes before delivery for export. These processes require sophisticated plants that are operated to a very high standard of safety, health, and environment protection.

To ensure the uninterrupted service of these plants a number of ERP systems were employed in the company. Because of the scale of the plants and facilities it is required that these systems support all business processes and cater for large volumes of data and transactions. These systems cover the areas of maintenance, procurement, and material management, HSE, finance, and HR.

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