



Oiltools implements SAP R/3 on IBM Netfinity in 3 months.

As its name suggests, Oiltools International provides specialised services and proprietary products to oil and gas producers and drilling contractors. Founded in 1963, the company bloomed with the oil boom. Today, it has a network of companies in more than 40 locations on five continents.

Explosive growth has marked this company's history. Still, one non-market threat loomed in its horizon – it needed a current inventory and job costing system that was ready for the new millennium. Oiltools decided to go for the SAP R/3 solution running on IBM Netfinity server.

“Our old inventory and job costing system is not Y2K compliant and we needed to change the system for Singapore, Dubai and Batam,” said Ms Goh Hwee Ang, Manager of Internal Audit for Oiltools International. Another reason for the change is also the fact that the SAP solution will also provide greater transparency of current operations across Asia and the Middle East, greater control over costs and better integration between the various departments. These processes are necessary for the continued healthy growth of the company.

“We were only worried that since SAP implementation is not easy it would probably take quite a lot of time, whereas we only had three months to implement it,” said Ms Goh. “IBM assured us the SAP implementation could be done within the time frame.”

Starting in August 1999, the team made haste to complete the implementation, test the system and is on track to getting it operationally ready before January 1, 2000.

3 months

Companies desiring faster, standardised implementation of SAP R/3 can take advantage of IBM's comprehensive set of skills and products. Collectively called SMOOTH for R/3, it provides, in a single package from a single vendor, everything needed to get R/3 implemented. To facilitate the SAP implementation within the short time frame, IBM used SMOOTH, which comes with server, database and system software, as well as SAP R/3 applications and implementation services. SMOOTH improves the efficiency and

Industry	IT Services
Application	SAP R/3
Software	Microsoft Windows NT
Hardware	IBM Netfinity servers



cost-effectiveness of implementation by relying on three key elements:

- A comprehensive portfolio of industry templates,
- A streamlined version of IBM's proven SAP implementation methodology; and
- A packaged solution of hardware, pre-loaded application software and implementation services.

"We were impressed by the speed of implementation with SMOOTH and that it utilises industry-based best practices. We believe that with IBM, our SAP implementation can be up and running within three months," said Ms Goh.

The use of preconfigured templates allows the system to be up and running far quicker. Template Process Scripts, containing descriptions of the process, menu paths, transaction codes, inputs and outputs, provide the basis for all end-user documentation. With these in place, it is easy for the customer's IT Team to make changes to the configuration later. With the Integrated Inventory Management System, Oiltools is able to track and control inventory movement immediately. Inventory transactions are highly defined and integrated to the shop order system. Inventory valuation of physical raw materials and finished goods can now be obtained at real time before the close of the month.

As production activities are driven by the formalised production order launching system, production control was essential. With the SAP system, all activities can be planned and tracked throughout the manufacturing cycle. All activities in the shop floor can also be scheduled and checked against material availability. With the IT backing behind it and a clear quality emphasis, Oiltools International is ensuring that it will continue to be a player to be reckoned with in its field of expertise going into the next millennium.

SAP R/3 on IBM Netfinity

Oiltools' implementation of the SAP R/3 solution runs on two IBM Netfinity servers. The IBM share in the NT market has grown considerably in the past years. One of the reasons for this tremendous success is the use of technologies like SMOOTH and Ready-to-Run R/3 which are offered with Netfinity servers, allowing for faster and more cost-effective implementation of SAP R/3 on IBM.



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