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A Culture of Courage:  
Precision Drilling's SAP S/4HANA Transformation Journey  
Darren Ruhr, Chief Administrative Officer  
Rachel Golson, Vice President Information Technology  
Precision Drilling Corporation  
Session ID #82695

# Precision | A Culture of Courage



HIGH  
PERFORMANCE  
HIGH VALUE

TSX: PD NYSE: PDS

- The Oil and Gas industry has faced a challenging environment since the downturn in 2014.
- Precision Drilling demonstrated great courage and insight during this tough economic period investing in technology to improve business processes and re-implement SAP S/4HANA and SuccessFactors in 12 months.
- One year later, this investment positions Precision to leverage efficiencies and new data analytics using the increased data flows of our global business.

# About the Speakers

## Darren Ruhr

*Chief Administrative Officer  
Precision Drilling Corporation*

- Started with Precision in 1997 after working in the Caribbean for 10 years.
- Took on his current role in 2005
- Oversees corporate business systems and network infrastructure, human resources, organizational effectiveness and performance, real estate and facilities, along with other administrative functions of the company.
- Recently returned from a trip to Egypt with his two children, Skylar (15) and Nathan (13).

## Rachel Golson

*Vice President Information Technology  
Precision Drilling Corporation*

- Passionate IT professional with 20 years of experience using technology to deliver transformative business programs.
- Began her career as an SAP Analyst and over the years has assumed levels of increasing responsibility, working in both industry and consulting globally.
- Co-led Precision's re-implementation of enterprise-wide business processes on the SAP S/4 HANA platform (Project ONE).
- Loves to catch up on work while sipping wine at a lake side camp site in the summer.

# Key Outcomes/Objectives

1. Build your journey centered on “Core” business operations
2. Leverage a Proof of Concept to understand project scope, value and reduce risk
3. Why S/4 HANA is foundational to our digital journey

# Precision | High Performance Land Driller



## STRONG GLOBAL SCALE

**232** Drilling Rigs:  
 Canada (116)  
 U.S. (104)  
 International (12)

**210** Service Rigs:  
 Canada (202)  
 U.S. (8)

**Complementary Services:**  
 Camps & Catering,  
 Rentals

**2018 Revenue: \$1.5B**

*\*Dots on map representative of areas where Precision has had drilling operations in 2015, 2016 & 2017 (09/2017)*



# Systems + Scale | Driving Operational Excellence and Lower Costs



## IT Infrastructure and ERP

- Supports Increased Data Flows
- Operating Efficiencies
- Fixed Cost Leverage



## Technical Support Centres

- Asset Integrity
- Maintenance Standard
- In House Repair & Rebuild



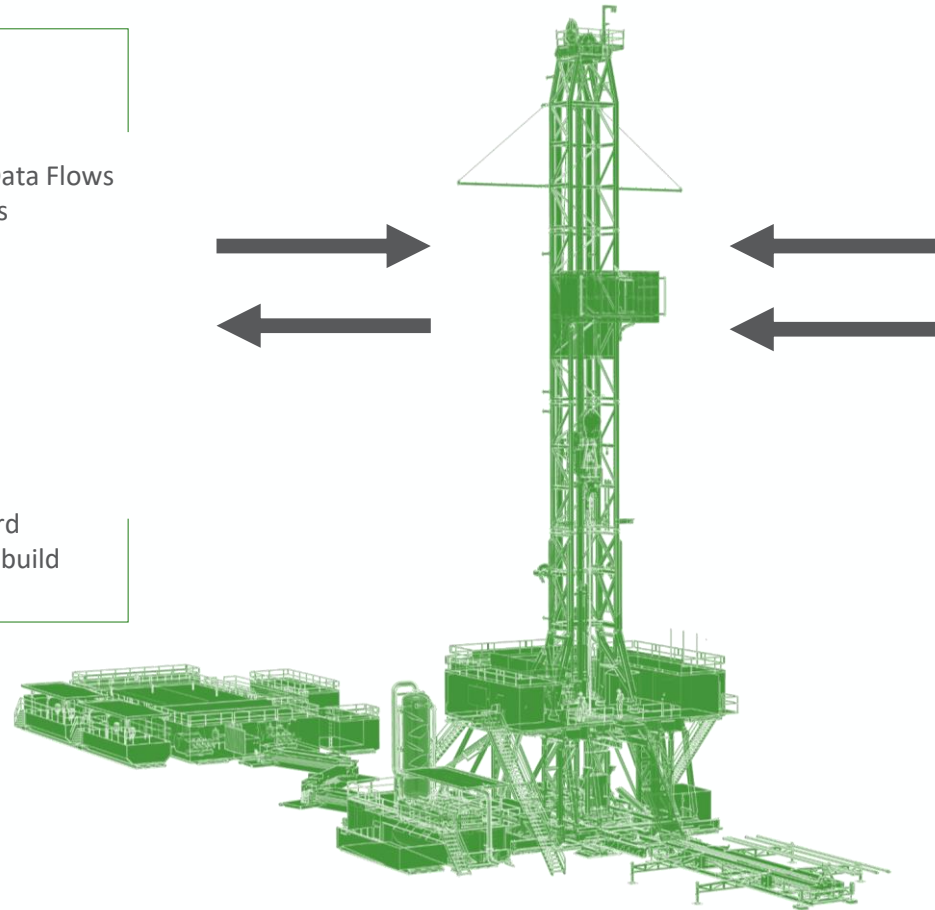
## Manufacturing + Capital Projects

- Engineering
- Project Management
- Equipment Manufacturing

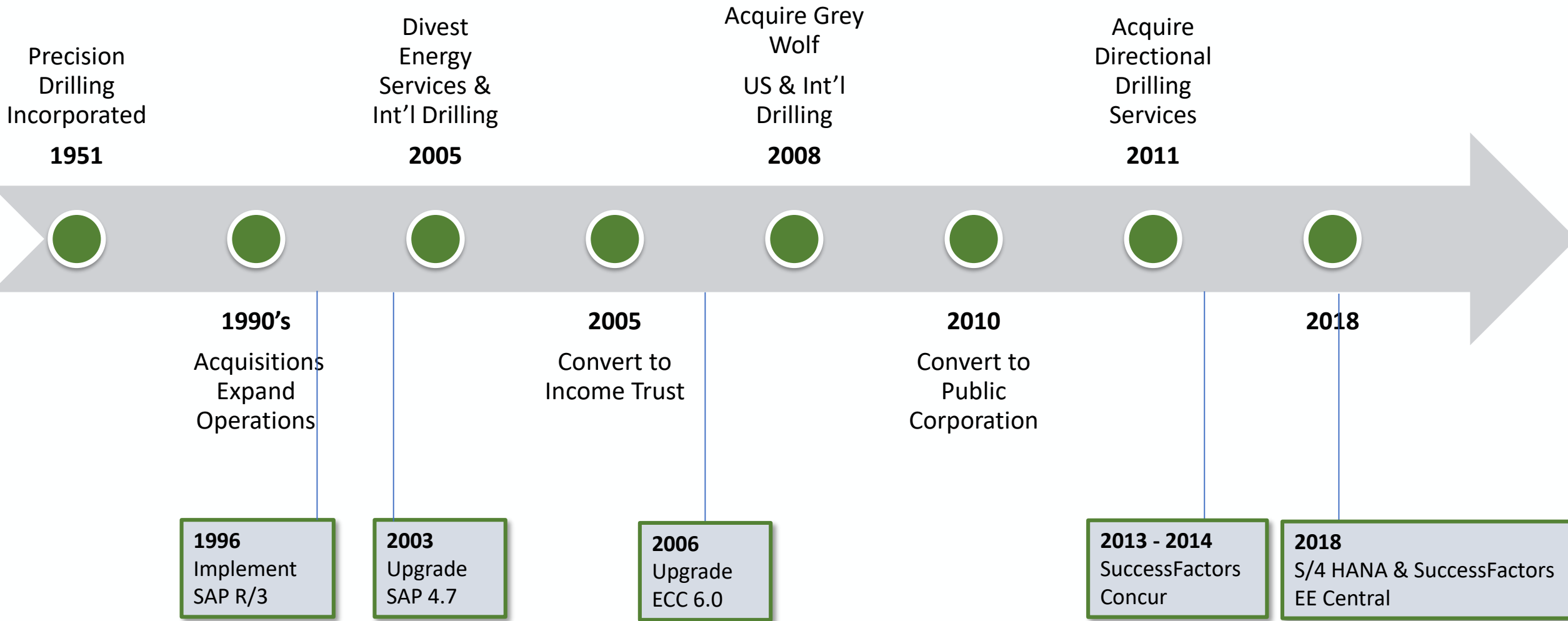


## Supply Chain Management

- Cost Savings
- Vendor Management
- Centralized Support



# Precision | Our History

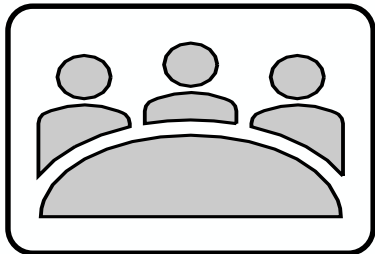


# Precision | Our Challenges



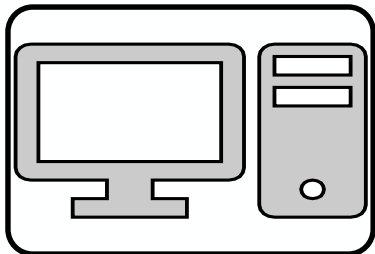
## Extended period of low oil prices and market volatility

- Oversupply resulted in depressed commodity pricing
- Reduction in North American demand for rigs
- Higher value service delivery



## Enable growth without increasing headcount and operating expense

- Lack of tools to support remote rig operations
- Inefficient and manually intensive paper based processes
- Processes were unintegrated and ownership was unclear
- Manual work-arounds led to regional inconsistencies



## Unintegrated and unscalable technology solutions

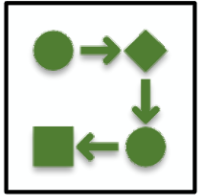
- Hampered by legacy data structures from acquisitions/divestitures
- Multiple, unintegrated technology solutions with numerous interfaces
- Poor data quality and governance



# Journey to World Class



# Project ONE | S/4 Proof of Concept



## Preconfigured System

Began with a functioning system  
with pre-defined business  
processes



## 3 Month Build & Test

Rig operations focus  
Fit/gap to Precision requirements  
Invest in enhancements where  
strategic gaps exist



## Rig Operations Demo “Day in the Life”

‘End to End’ process design  
Understand the change  
Evaluate partner capabilities  
Realistic budget & schedule

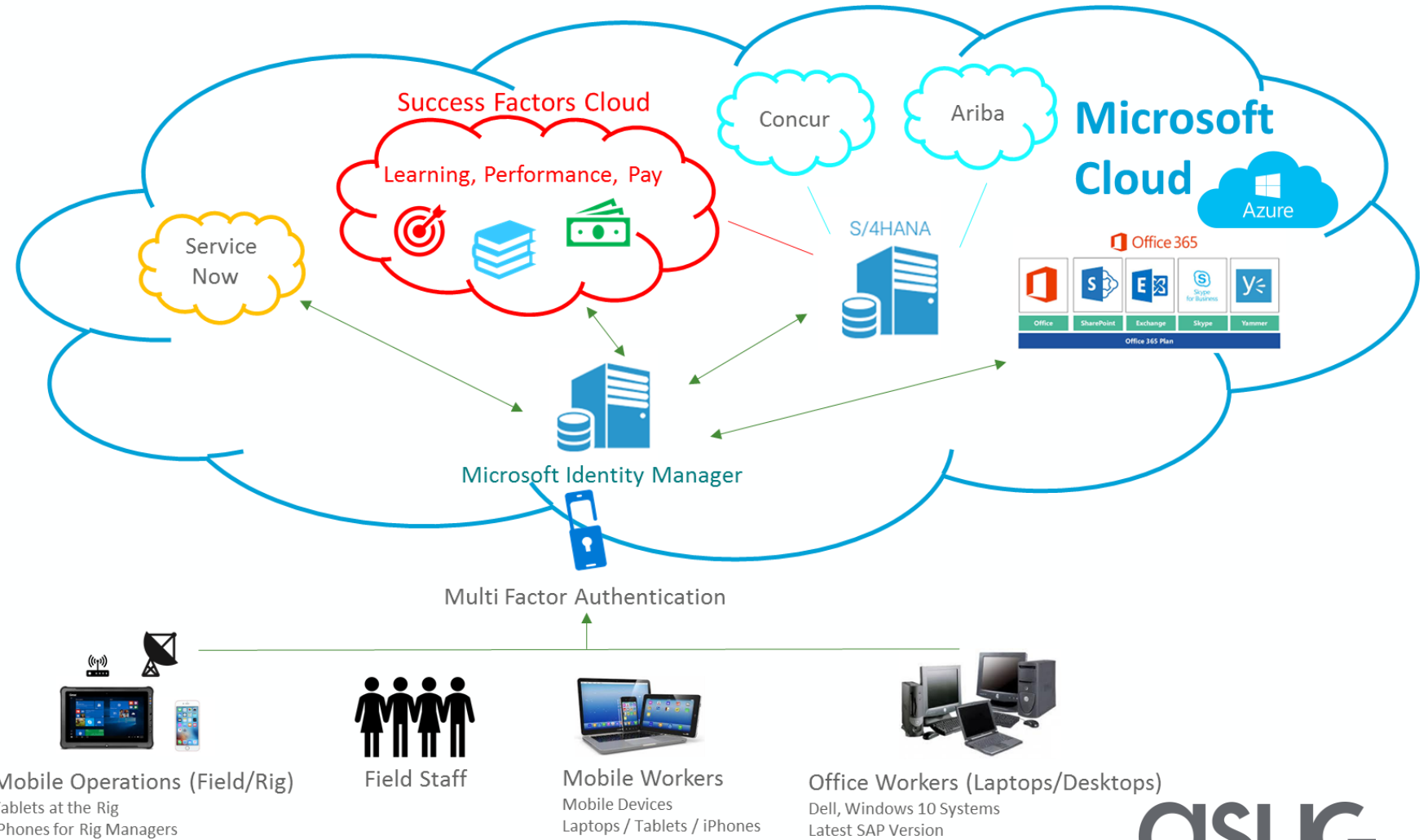


**Precision  
‘Configured’ Solution**  
founded on people,  
process and technology

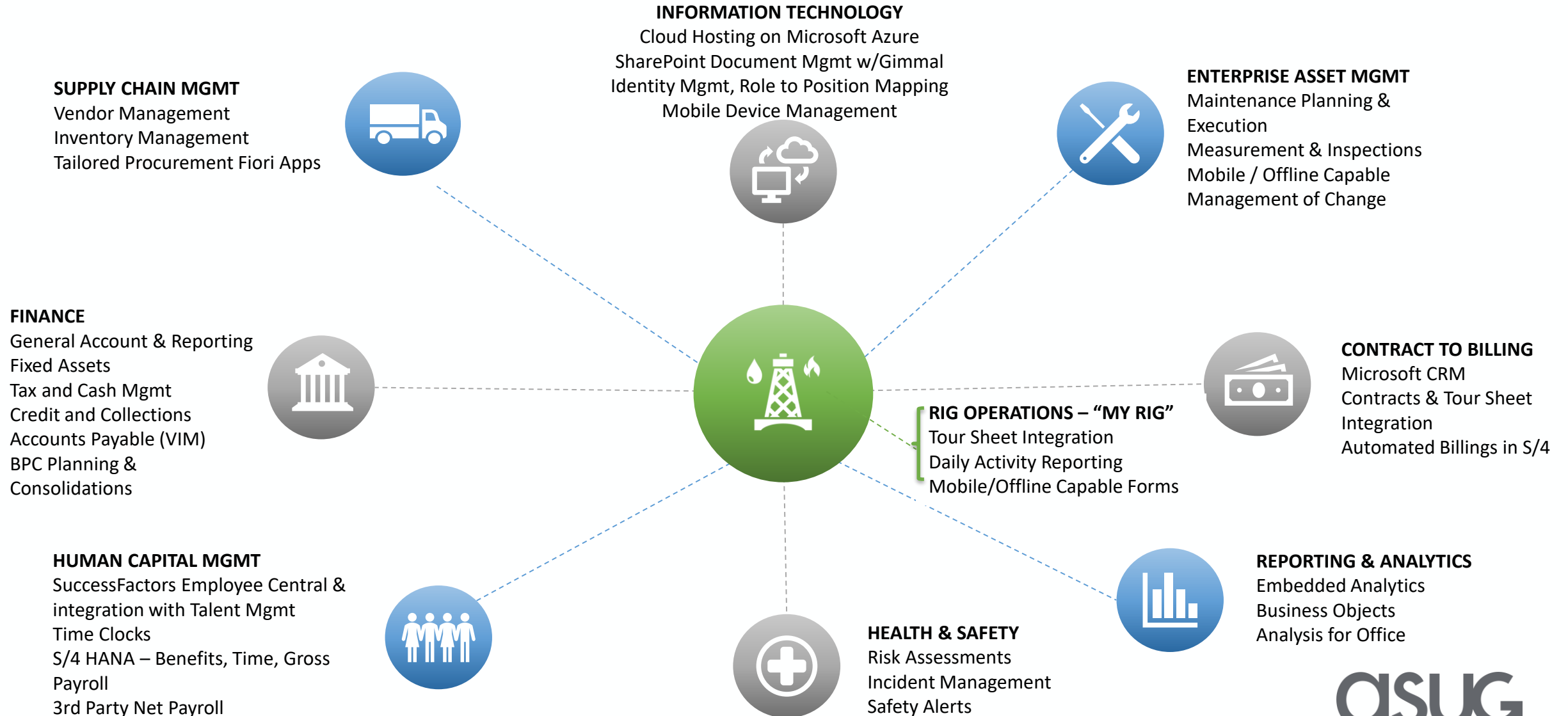
# Project ONE | Cloud Architecture in a Mobile World

## Cloud Architecture

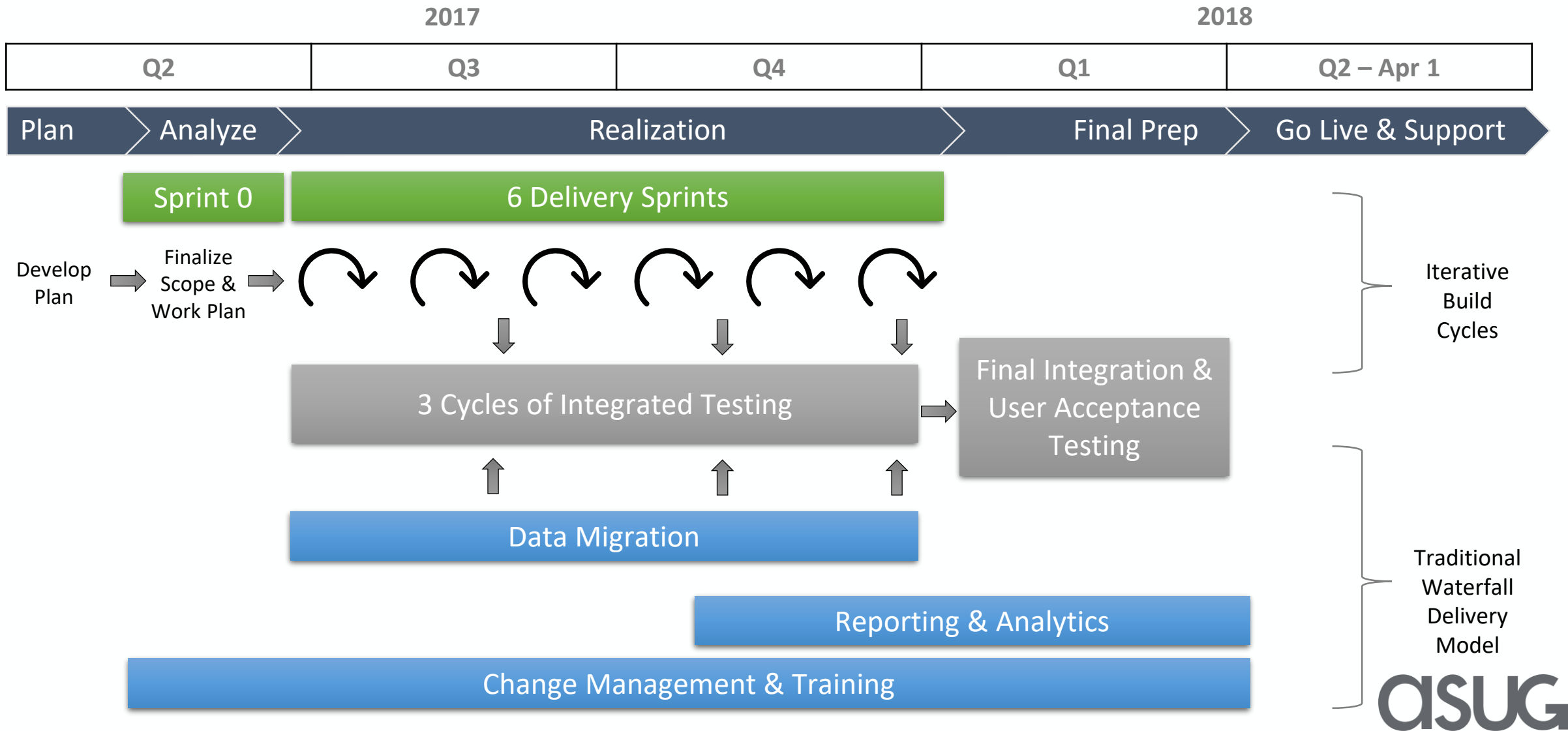
Delivered higher security and lower costs than our managed data center, while at the same time improved remote access for rig operations



# Project ONE | Scope



# Project ONE | Hybrid Delivery Model



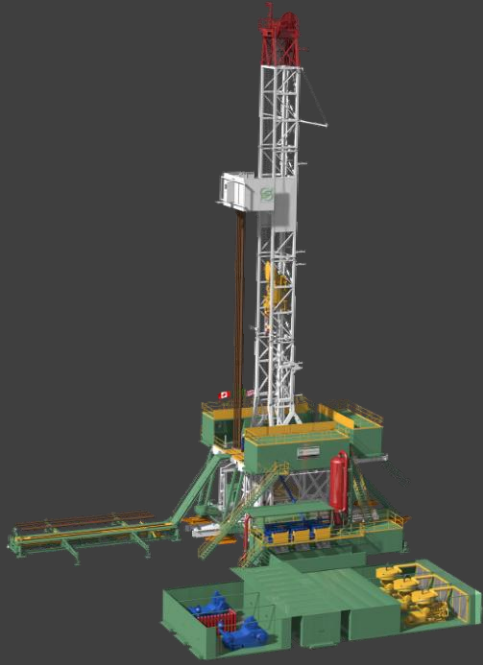
# Project ONE | Retrospective

## Key Success Factors

- Strong and engaged executive & board support
- Field First support team
- Full time dedicated Precision team (Best People)
- Rigorous custom development approval process
- Few technical issues with S/4 and Azure
- Precision led, multi-vendor delivery model
- Proof-of-Concept helped us reap the value of preparation work prior project start

## Challenges

- Underestimated change to field operations
- Build in schedule time to fail fast
- Do not underestimate the effort involved in data cleansing & conversion
- Understand the organizational roles, not just the transactional requirements when building role based security
- Simplify training content to provide easy to reference training videos vs. detailed manuals



SAP

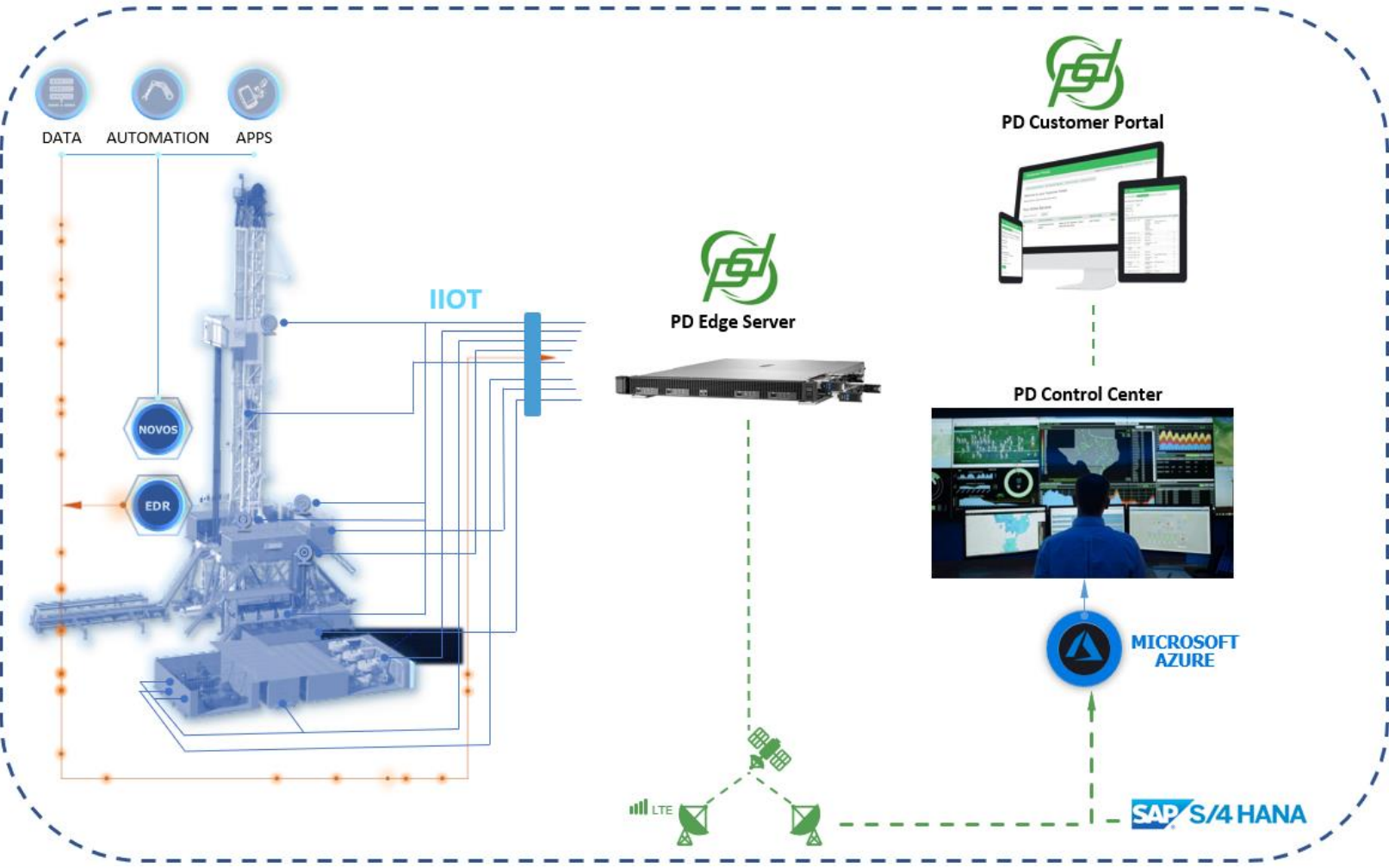


# Precision's Technology Strategy

# Rig Technology Architecture

 Corporate Network Infrastructure Extended to the Rig

 Rig Software Apps



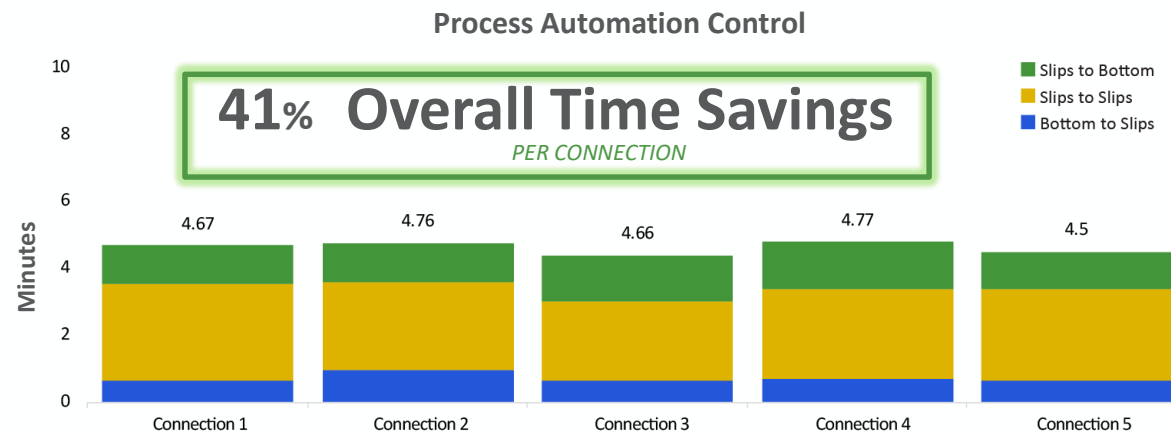
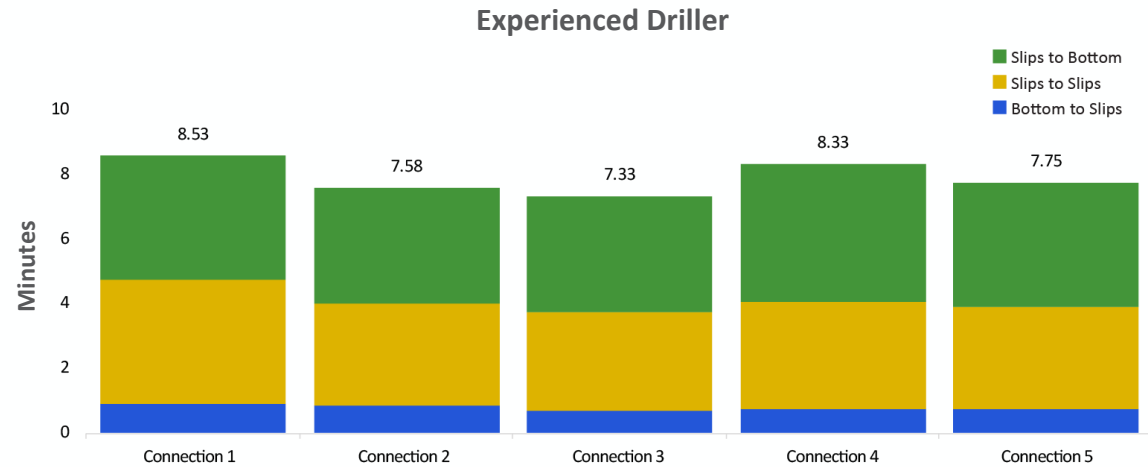
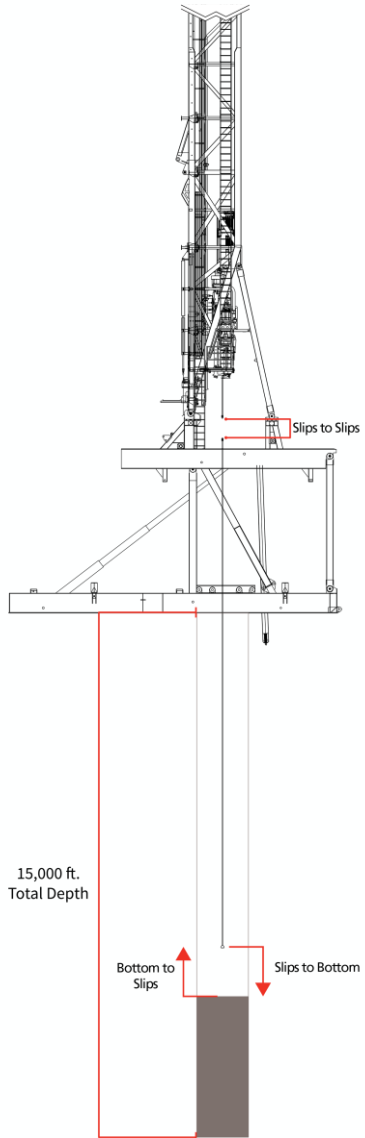
 Enterprise Cyber Security

 Data Analytics & Optimization

High Speed Connectivity



# Process Automation Control



Precision data from Rig 601 field trials

Consistent  
Predictable  
Repeatable

# Key Takeaways

- For greenfield projects consider a proof of concept approach to drive innovation and formalize scope, schedule & budget.
- Dedicate your best people, this is not a part-time job.
- HANA is a digital platform core to transforming business operations. Moving to S/4 is a strategic journey about much more than just upgrading to the latest version.



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# Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

# Q&A

For questions after this session, contact us at [druhr@precisiondrilling.com](mailto:druhr@precisiondrilling.com)  
and [rgolson@precisiondrilling.com](mailto:rgolson@precisiondrilling.com).

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