

Exterran Holdings, Inc. Implements Hosted IT Solution On-Time and Significantly Under Budget



Exterran Holdings, Inc.
Houston, TX
www.exterran.com

Industry:

Oil & Gas

Annual Revenue:

US\$3 billion

Employees:

More than 10,000

Oracle Products & Services:

Oracle University
Oracle User Adoption Services
Oracle Tutor
Oracle E-Business Suite On Demand
Oracle Financials
Oracle Human Resources
Oracle Manufacturing
Oracle Supply Chain Management
Oracle Mobile Field Service

Implementor:

Oracle Consulting

“We delivered our Oracle E-Business Suite On Demand implementation for the merged organization a day ahead of schedule, and significantly under budget. We anticipate the savings are in the millions. In fact, all of the initial projects we implemented for Exterran have been, without exception, on time and on budget.” – Stephen York, Vice President, Business Technology, Exterran Holdings, Inc.

Exterran, a full-service natural gas compression technology and equipment manufacturer formed by the 2007 merger of Hanover Compressor Company and Universal Compression Holdings, Inc., faced the challenge of unifying operations across two large and complex companies. Each company brought to the table its own unique organizational history, complete with previous IT initiatives and infrastructures that required unification to enable the company to move forward as one organization.

The newly formed Exterran wanted to consolidate on a single enterprise resource planning (ERP) system with Oracle E-Business Suite On Demand. Exterran’s unification project garnered high visibility at the executive level, within the organization and publicly, as the financial community watched closely to see if the company could effectively merge its operations. To meet the challenges of the implementation and ensure success, Exterran turned to Oracle Consulting and Oracle University to provide the additional resources needed to manage the complex project. Oracle helped Exterran to complete its IT project on time and under budget, and ensure a smooth transition to the unified Exterran ERP system.

Proven Project-Management Success

Exterran had a history of successful engagements with Oracle Consulting. Oracle had provided strategic guidance when, prior to the merger, Hanover implemented Oracle E-Business Suite On Demand.

Key Benefits:

- Unified the recently merged company onto a single enterprise resource planning (ERP) solution
- Completed the implementation on time and under budget
- Provided strategic planning and specific documentation to track project progress and success with executive stakeholders
- Accelerated implementation with 24/7 access to offshore resources
- Facilitated user adoption by developing a comprehensive, role-based training program
- Met international needs by providing resources in multiple languages
- Enabled detailed analysis of training with access to multiple reports

In 2002, Hanover was running 86 different ERP applications at the more than 40 companies it had acquired around the world. The main issue, according to Stephen York, Vice President, Business Technology, Exterran Holdings, Inc., was the large number of different applications throughout the organization.

“We were and still are a global organization,” York said, “so having integrated information is critical. We must be poised to create value through customer retention and employee efficiency, yet have the scalability and flexibility to seek additional opportunities.”

To enable the integrated environment it required, Hanover selected Oracle E-Business Suite, using Oracle’s hosted Oracle On Demand model. The company relied on Oracle Consulting to help it rapidly and effectively deploy its rather complex implementation.

“Oracle Consulting provided us with knowledgeable resources that could efficiently navigate through the Oracle organization and design solutions for a project of our size and complexity,” York said. “As a result, at Hanover, we were able to successfully implement a \$20 million-plus project on budget and on time—completing the project in just 18 months.”

This project at Hanover also demonstrated Oracle’s ability to effectively manage the unique considerations of an international deployment, as the implementation included coordination across company locations in the United States, Canada, Argentina, and the United Kingdom.

On a day-to-day basis, Oracle Consulting effectively tracked and managed the project, providing committed resources to efficiently deal with any issues that arose. Periodic executive steering committee meetings ensured support from within the Oracle organization.

“During the initial project, we met quarterly with our Board of Directors to provide updates on the project,” York said. “Many of these executives ran businesses of their own of a significant size and were astounded by the fact that a project of this magnitude would be completed in this compressed timeframe, under budget, and with overall success.”

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Stephen York
Vice President
Business Technology
Exterran Holdings, Inc.

Combined Company Implements an Integrated System

As a result of Hanover’s prior success with Oracle, Exterran decided to standardize the newly formed organization on Oracle E-Business Suite On Demand. With previous Oracle exposure, Exterran experienced a shorter learning curve when moving the newly merged company onto its unified ERP solution. This paved the way for a smooth implementation that the company completed ahead of schedule and significantly under budget.

Exterran rolled out its unified ERP system in the US Operations Business Unit in just six months, and came in under budget. Each component of the complex project was a success, including subsequent international roll-outs in Mexico, Brazil, and Argentina, a sales system upgrade, as well as a physical move to the company’s new headquarters in Houston, Texas.

“We were scheduled to go live on Oracle On Demand for all U.S. operations, and we did it a day ahead of schedule and ahead of budget—very important for two companies with aggressive timelines to integrate information to run the combined business,” York said. “The project went a long way toward convincing business users that it was a smart move—in part, because the few implementation issues that came up were handled quickly and adeptly by Oracle Consulting.”

Strategic Planning to Ensure Consistent Progress

To meet its aggressive implementation deadlines and efficiently administer the complex organizational structure, it was imperative that Exterran’s projects have impeccable planning. Oracle Consulting created a timeline that identified critical project milestones—allowing Exterran to easily track its progress to each milestone in addition to the overall completion of the implementation.

Oracle’s specific plans provided Exterran with increased visibility into the project, and also armed internal IT resources with the necessary documentation to update key executives on the project’s progress.

Oracle Consulting also consistently bolstered executive confidence in the project with health checks for the implementation. Oracle brought in an objective third-party

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organization to evaluate the project’s status and report on the positive progress to Exterran’s internal stakeholders.

Exterran remained on track throughout the project and met all of its aggressive deadlines with Oracle’s ability to provide 24/7 support, leveraging off-shore development resources to continue to get the implementation up and running—even when the company’s local resources were not online.

Facilitating Seamless User Adoption

After rolling out its global ERP implementation, Exterran faced the next step of acclimating staff unfamiliar with the new Oracle solution.

“Our first challenge was to provide Oracle E-Business Suite application training to legacy Universal Compression’s 500-plus end users by a carved-in-stone go-live date,” York said. “We combined four members of Oracle University and two staff members from Exterran to facilitate the change management process. It was a small group of people, but the results were amazing.”

To facilitate user acceptance and proficiency, Exterran turned to Oracle University’s User Adoption Services to develop and implement an effective training program. Oracle University worked with Exterran to bring employees up to speed on the new system through a role-based approach. Oracle University also ensured a seamless transition to the new system with a flexible program that addressed downstream impacts of the new ERP system in initial training.

Oracle University’s User Adoption Services education consultants developed customized training materials for 15 distinct user roles and managed all course logistics. Oracle also trained more than 20 internal Exterran resources, who then trained fellow staff members on the Oracle applications.

Oracle University’s User Adoption Services was also able to meet the unique challenges of Exterran’s global footprint by coordinating training and resource materials in additional languages, including Spanish and Portuguese.

“Oracle University’s User Adoption Services ensured optimum knowledge delivery to our end users by facilitating a comprehensive training set-up,” York said. “Oracle assisted our internal resources with the compilation and publishing of student guides and support courseware for classroom sessions, and participated in all capacities of training development and deployment.”

Throughout the training process, Oracle continued to modify the program on a day-to-day basis to maintain the course’s quality and meet the specific needs of individual trainees. Post-training, Exterran provided online access to all documents provided in the classroom for easy reference. Oracle also provided Exterran detailed insight and reporting capabilities, such as attendance measurement, to ensure easy accountability to internal management.

To meet the aggressive time requirements, Oracle University and Exterran worked to create specific curricula and time the role-based training to begin three-to-four weeks out from the system’s go-live date—ensuring that users were ready to start using the system in their day-to-day business from the moment it became available.

Why Oracle?

Exterran considered a number of consulting alternatives for implementing its ERP solution. Ultimately, the company determined that Oracle Consulting and Oracle University were able to provide the specific product knowledge and, as important, effectively navigate the Oracle organization to deliver optimum results.

Implementation Process

Prior to the formation of Exterran, Hanover implemented Oracle E-Business Suite On Demand in 2004—deploying 18 Oracle applications in 16 months. After the merger, Exterran moved the legacy Universal operations to Oracle E-Business Suite On Demand to create an integrated infrastructure for the entire

company. The process began in August 2007 and Exterran completed the implementation on February 4, 2008. Concurrently, Exterran worked with Oracle University and developed a comprehensive training program to begin training the new Oracle E-Business Suite users in advance of the go-live date.

Exterran Holdings, Inc. is a global market leader in full service natural gas compression and a premier provider of operations, maintenance, service, and equipment for oil and gas production, processing and transportation applications. Exterran Holdings serves customers across the energy spectrum—from producers to transporters to processors to storage owners. Headquartered in Houston, Texas, Exterran and its more than 10,000 employees have operations in more than 30 countries.