

# **IBM Software Group**

## *Upstream Oil and Gas Performance Blueprint*



### Solution Description

The upstream sector of the oil and gas industry is focused on finding and producing oil and gas in an efficient, reliable and affordable manner. This mission is conducted in an environment where data systems of record are often geographically dispersed and not integrated; and within a volatile market characterized by unpredictable price fluctuations, rapidly increasing demand, supply constraints, fierce competition and stringent regulations.

The IBM Cognos Upstream Oil and Gas Performance Blueprint provides a performance management framework – including planning, metrics and reporting – that allows the upstream oil and gas sector to plan production, revenue, expenses and capital expenditures at the field or total company level. The solution is designed to reconcile with company-wide strategic plans, ensuring all parts of the organization are planning to a single set of financial goals and business objectives.

### Features & Benefits

The Upstream Oil and Gas Performance Blueprint addresses the many challenges that affect the planning process and assists in the planning, managing and evaluation of operating plans by:

- Retrieving key data from various source systems into a single view of the entire organization
- Identifying operating expense and production variances, trends, anomalies, and opportunities, and model the effect of drivers against various scenarios
- Integrating operational and financial planning in real time for immediate insight into resource requirements and future consolidated business results for various scenarios
- Incorporating commodity-pricing driver assumptions that feed into the plan for consistency across the business
- Enabling scenario planning that produces scenarios based on different operating assumptions
- Standardizing data across all regions and operations for ease of consolidation and reporting
- Integrating workflow to manage and consolidate plans with a visual scorecard, so the status of the planning process can be easily determined and actions can be taken to complete the planning process
- Streamlining reconciliation with company-wide strategic financial plans, managing consistency between top-down and bottom-up plans
- Summarizing calculated metrics and link them to scorecards and reports to measure financial performance at any level of the organizational hierarchy of plans compared to actual or budget values

### Value Proposition

The Upstream Oil and Gas Performance Blueprint maximizes insight into production, capital expenditures and financial performance, and allows decision-makers to build and continually fine-tune plans that achieve business goals. The standardized planning format that incorporates local currency maximizes the ease of planning for the both those responsible for submitting their plans and the managers assigned to review these plans. The result is more accurate planning, reduced data collection times and automated consolidation into a total company view that leads to better decision-making.

#### IBM Segment

- Cognos

#### Business Function

- Performance Management

#### Target Industry

- Chemical and Petroleum

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