

# Aligning Your Software with Corporate Strategy



# Agenda

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- ❑ **Why should I evaluate my current system?**
- ❑ How do I go about it?
- ❑ What options are available to correct identified problems?
- ❑ What are the costs vs. the benefits of change?
- ❑ What are the costs vs. the benefits of status quo?
- ❑ What steps are involved in selecting a new system?



# Why Evaluate My Current System?

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- ❑ The goal of every E&P Company is to make \$\$\$!!!
- ❑ True or False?

*“Software is a cost of doing business, so I want to spend as little as possible on it.”*



# Why Evaluate My Current System? (Cont.)

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## ❑ FALSE

- Software can build a Competitive Advantage through:
  - Real-Time Data Capture
  - Data Transparency
  - Flexible Reporting

## ❑ Profitability Analysis is KEY

- Is your company data-entry focused or information focused?
- Can your system create a competitive advantage for you?



# Typical System Issues

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- ❑ Data Capture Limitations
- ❑ Reporting Limitations
- ❑ Excel, Excel, Excel
- ❑ Systems Can't "Talk" to One Another
- ❑ Does not support Sarbanes-Oxley Requirements
- ❑ System Support Issues
- ❑ Promised Modules Never Materialize



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# How Do I Evaluate My System?

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## □ A Case Study

- Strategic Assessment
- Departmental Assessment
- Business Requirements Gathering
- Assess Enhancement Requirements & Cost of Remaining on Current System
- Compare against Estimated Cost of New System & Implementation Cost



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# Available Options

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1. Enhance the Existing System
2. Upgrade to the Latest Version of the System
3. Select & Implement a New System

*Best option should provide the greatest benefit  
at the lowest cost.*



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# Cost/Benefit Analysis of Change

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## □ **Benefits:**

- Fix Broken Processes
- Eliminate Workarounds – Hidden Cost
- Data Transparency
- Create a Competitive Advantage through Real-Time Reporting

## □ **Costs:**

- Enhancement Development
- Upgrade Fees
- Software Purchase Price, Implementation Costs & Disruption of Change



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# Cost/Benefit Analysis of Status Quo

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## □ **Benefits:**

- No additional system costs
- Familiarity with the system

## □ **Costs:**

- Hidden personnel costs
- Data integrity issues
- Lack of valuable information
- Add-on Systems



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# Software Selection Process

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- ❑ Compare Available Systems against
  - Strategic Objectives
  - Departmental Objectives
  - Business Process Requirements
- ❑ Select 2 Systems for Demonstrations
- ❑ Evaluate the Systems against Requirements
- ❑ Quantify Findings
- ❑ Schedule Detail Demonstration with Finalist
- ❑ Negotiate Contract
- ❑ Plan Implementation



# Q&A

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# **E.A.G. Services, Inc.**

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If you have questions or would like more information, please contact

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