

Operators need and want production reporting systems with sophisticated reporting capabilities, open data access and robust storage and audit mechanisms. However, the costs and complexity have often been difficult to justify. The time to become operational can stretch to six months or more, and on assets with short predicted lifespans it frequently seems less trouble to maintain manual systems on paper or spreadsheets.

Successfully addressing these problems and increasing availability of these essential systems demands novel thinking. On Demand services are the answer.

### The role of information technology

No discussion of particular solution technologies is valid without an investigation of the deployment context, and of the needs and attitudes of the industry in general. With a few notable exceptions the oil and gas industry, our industry, regards IT as an enabler and not as a tool for competitive differentiation. It is first and foremost a cost centre, and significant effort is applied to achieving reductions in those costs.

However, for the most part these efforts are best categorised as 'doing the same thing more cheaply'. Outsourcing and offshoring, and standardisation on a restricted list of vendor-specific applications, have simply reduced business flexibility and lowered service quality. These strategies ignore modern realities; even among the largest multinationals there is little appetite to, for example, own the drilling rigs that are the backbone of their operation. Why is IT different?

### On Demand computing

In this context alternative mechanisms for software service provision already have a significant place. The Google search engine is sufficiently widely used that its name occupies a place in the dictionary, but the infrastructure that powers it is a mystery to most users. One key characteristic is the ease with which the tool can be adopted and, equally significantly, replaced with an alternative like the Yahoo! search engine.

Increasingly, complex applications, including business management and collaboration suites, are being provided online; Salesforce.com and Google Apps deliver services to significant horizontal markets for project management, CRM and office applications. This is the so-called On Demand or software as a service (SaaS) model. Low barriers for entry and exit



## Transforming the economics of production reporting

Production reporting systems are traditionally complex, expensive, and difficult to configure and install, but dramatic changes are coming, says **Dr Peter Black**, managing director of EnergySys Limited

combined with simple and low per user, per month pricing creates a dynamic and competitive market. There is no need to procure, install and manage hardware, and no need to buy software and manage versions and updates and patches. Attractive new features are delivered quickly and without service disruption. Faster adoption with everything you need. When you need it.

### Production reporting

The relevance to production reporting systems is clear. Users of such systems tell us that cost of ownership is a key concern, in many cases preventing the adoption of such systems for some assets. Changes occur frequently, as new wells and fields are added, business rules for allocation of product are modified, and new data items are defined and new information is stored.

On Demand solutions provide an answer where traditional approaches to software provision fail. Rapid deployment combined with extreme flexibility in the creation of business rules and data models ensure that business users are more productive more quickly. There's no need for programming skills to configure the system and the applications are available any time, from anywhere, securely via a standard web browser.

When customers choose a hosted service they can expect the highest standards of

data centre security, with multiply redundant systems, controlled access, and encrypted offsite backups. Best practice is demonstrated by hosting providers' adherence to the information security management standards BS7799 and ISO/IEC 177991.

### Conclusions

Software delivered as a service will transform our industry. It exactly meets the aspirations and goals of our clients, in that it transfers responsibility for a non-core function in a way that truly works. Clients pay for results, and stop paying when the service is no longer needed. We, as vendors, are focussed on delivering a service, not a product, and this significantly changes the dynamics of the relationship.

The question is not whether this change will happen, but when, and we're proud to be leading the way, starting with production reporting. ●

EnergySys Limited is a Digital Steps company

### MORE INFORMATION

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