



NEW IT SOLUTION FROM IFS ENABLES CONTROLLED GROWTH FOR OIL & GAS ENGINEERING CONTRACTOR

It was the expectation of a major delivery of LNG reconderenser systems for 20 or 30 of the world's largest LNG ships in Qatar in 2005 that gave rise to the need for a more complete, comprehensive administrative control system (contracts were eventually signed for 31 LNG systems worth in excess of NOK 1.5 billion).

NEED FOR CONTROL IN A LARGER COMPANY

Top management in Hamworthy Gas Systems realised that the company needed to prepare for considerable organic growth, and gain better control of its core and support business processes. Following a comprehensive investigation process IFS was chosen as the supplier at the end of June 2006.

The solution encompasses project and contract management, engineering, procurement and material management, documentation, operational and strategic human resources, finance, e-invoice and after sales. The module 'IFS modeller' has also been implemented to cover the internal QA system, which describes all processes and procedures.

Since then, further developments have come thick and fast, according to CFO Eigil Ulsbøl. "Implementing a comprehensive system like this in a static organisation is a major task in itself. Doing so in a period of strong organic growth is no less challenging. When we signed the contract with IFS in June 2006 there were 125 users to consider, but that number has since doubled. As far as we're concerned, this has been about much more than the implementation of an IT system. It's a complex change project to create efficient, reliable and uniform work processes, a project that puts a new perspective on the company's future.

QUANTUM LEAP

For Hamworthy Gas Systems, the choice of IFS entailed a quantum leap in terms of IT. The old system was not suitable for a project-based organization and had some serious weaknesses. It was crucial to implement an ERP system that could ensure optimal support and control over the company's business processes in every way. IFS chosen after comprehensive analyses, because IFS could deliver an integrated, complete solution for Hamworthy's processes, with flexibility enabled by the component-based system. It was also important that the supplier had a solid base in Norway, relevant customer references in comparable industries and competence from project-oriented industry.

Hamworthy Gas Systems' operations are now virtually 100% project oriented, although the after sales side is expected to grow considerably. At any one time, the company is working on 10-15 projects ranging in value from NOK 50 million to 1 billion. With increasingly stringent demands on documentation, a more streamlined flow of information and good project management; it was only natural that the company chose IFS's industry solution for project-oriented industry (EPCI).

ABOUT HAMWORTHY GAS SYSTEMS

Hamworthy Gas Systems AS is a world leader in the development and delivery of gas systems for ships, offshore and land-based industry, as well as fluid handling systems for the offshore market. Headquartered in Asker outside Oslo, Norway, the company has increased its workforce from 50 to 250 full-time employees in the past four years. Annual operating income now far exceeds NOK 1 billion. Hamworthy Gas Systems is a subsidiary of the international Hamworthy plc group, a major global player in special equipment and services for the marine and offshore market. Listed on the London Stock Exchange, the group has over 1,100 employees at more than 14 locations worldwide. The head office is in Poole, Dorset, UK.



STANDARD INDUSTRY SOLUTION

Ulsbøl continues “We weren’t looking for some kind of special customisation specific to our company. That would be too expensive to maintain and therefore not rational. IFS’s industry solution met these demands, even though not everything fits every component perfectly, which is only to be expected. Our main miscalculation was the time it would take to get up and running. We also had a clear goal about adjusting to IFS’s standard processes and partly unlearning our old procedures. The challenges we faced was primarily related to the implementation of new processes linked to engineering, procurement, logistics and project management. A lot of people work with these processes, and we underestimated the need for training and support, this part of the process took many more months than planned. The key approach was “learning by doing.”

Ulsbøl emphasizes how easy it is to underestimate just how demanding this kind of change process is. “Even with the best planning in the world, problems are bound to crop up along the way, and it’s important to bear this in mind at all times. The primary success factor when implementing a new ERP project is involvement and support from senior management. With the Managing Director as project owner and leader of the steering committee, Hamworthy Gas Systems has always stood on solid ground. Another vital success factor has been our people who have worked far harder than anyone could have asked.

“We’re well on the way to achieving uniform, reliable, efficient work processes. The project execution process has vastly improved. We’ve made great advancements when it comes to document and information traceability. It’s clear that the system is scalable to the company’s growth plans for the future. Pur simply, we now have a system that supports our internal core value of Continuous Improvement.”

THE WAY AHEAD

One area the company is focusing on particularly is the industry’s requirements for quality assurance/deviation management. Here Hamworthy Gas Systems has called on IFS to work with the company to develop a component that can become part of the standard industry solution. Another challenge is to get the CRM, service management and strategic HR components up and running swiftly. IFS Business Analytics is currently used as the reporting tool. Even though much remains to be done, Hamworthy has access to better management information than before.

The company has invested some NOK 12 million in the IFS system since 2006. Cost development in the project is keeping within the agreed limits. The project’s return on investment/ROI is based on a perspective of 3–4 years, which CFO Eigil Ulsbøl sees as a realistic goal. He emphasises that the cooperation with IFS runs very smoothly, especially when it comes to the good ‘chemistry’ between the companies.

A FOUNDATION FOR GROWTH

“It is critical that we secure continuous improvement in our work processes as we expect further growth in the future,” stresses Ulsbøl. “The market for global gas handling systems is growing. We intend to keep up with this development, which would be hard without an optimally functioning ERP system. We have to make sure this tool becomes second nature to all our people. The commercial way ahead for Hamworthy Gas Systems is based on technological development and market expansion. The company spends NOK 10-15 million a year on sharpening its technological competitive edge. This is a challenge we are now ready to face, partly supported by an efficient, forward-looking, project-oriented industry solution from IFS.

BENEFITS

- Uniform, reliable, efficient work processes
- The project execution process has vastly improved
- Great advancements when it comes to document and information traceability.
- The system is scalable to the company’s growth plans for the future.
- Better management information



“We now have a system that supports our internal core value of Continuous Improvement.”

Eigil Ulsbøl, CFO