



IFS PROJECT BASED SOLUTIONS (PBS)

- MANAGE THE FUTURE NOT THE PAST

IFS EXECUTIVE SUMMARY

If you are successful in a project oriented business, you know better than most, that the only way to retain the success is to acknowledge and instantly act upon the changes in the marketplace and within your ongoing projects. Your competitive strength is dependent on your ability to deal with changes in every part of your business.

ARE PROJECTS THE HEART OF YOUR BUSINESS?

For many suppliers in the Oil & Gas industry the business is based on managing projects of various sizes and to different timelines. The project activities control the entire value chain and decide when engineering, purchases, document packages, jobsetting, fabrication etc are to be done as well as ensuring information flow between the different disciplines. Cost and revenues must be budgeted, tracked and compared not only in the general ledger but also project by project in one integrated system. This enables executives and project managers to easier track project progress and remaining work. In order to succeed the project must be the "heart" in the ERP package and drive all critical business processes within your organization.

This can be illustrated as follows:

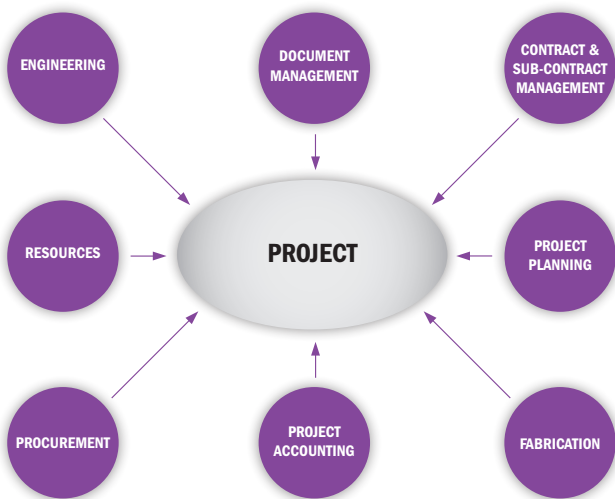


Figure: The project itself is the engine and drives the demands in IFS Project Based Solutions

IFS use the project/WBS (Work Breakdown Structure) to drive the demands and not the conventional manufacturing way of letting the customer order/shop-order MRP engine drive the dates and deliverables in the project. IFS Project Based Solutions combines project key data in one database and real-time information is available at all levels in the project structure (WBS). The information is kept in a uniform format and is easily traceable.

THE PROJECT IS THE ENGINE

The IFS project/WBS provides full flexibility for projects of all sizes and degrees of complexity and templates can be made for all different types of projects. A WBS should include all activities that will be conducted across disciplines. This means that there is a correlation between when documentation must be completed and when purchasing and fabrication can begin. As it appears in the WBS, document packages, purchasing and fabrication are in the same structure, thereby allowing the project manager to see the progress, costs and revenues related to the different activities. Since the project is at the center, planned procurement and planned change orders will also be shown here and thus provide better estimates for remaining work (ETC = Estimate to complete).

Project WBS is the heart of project management and ensures that project budgets, cut-offs (on transactions), progress projections and commitments are captured correctly in the finance system.

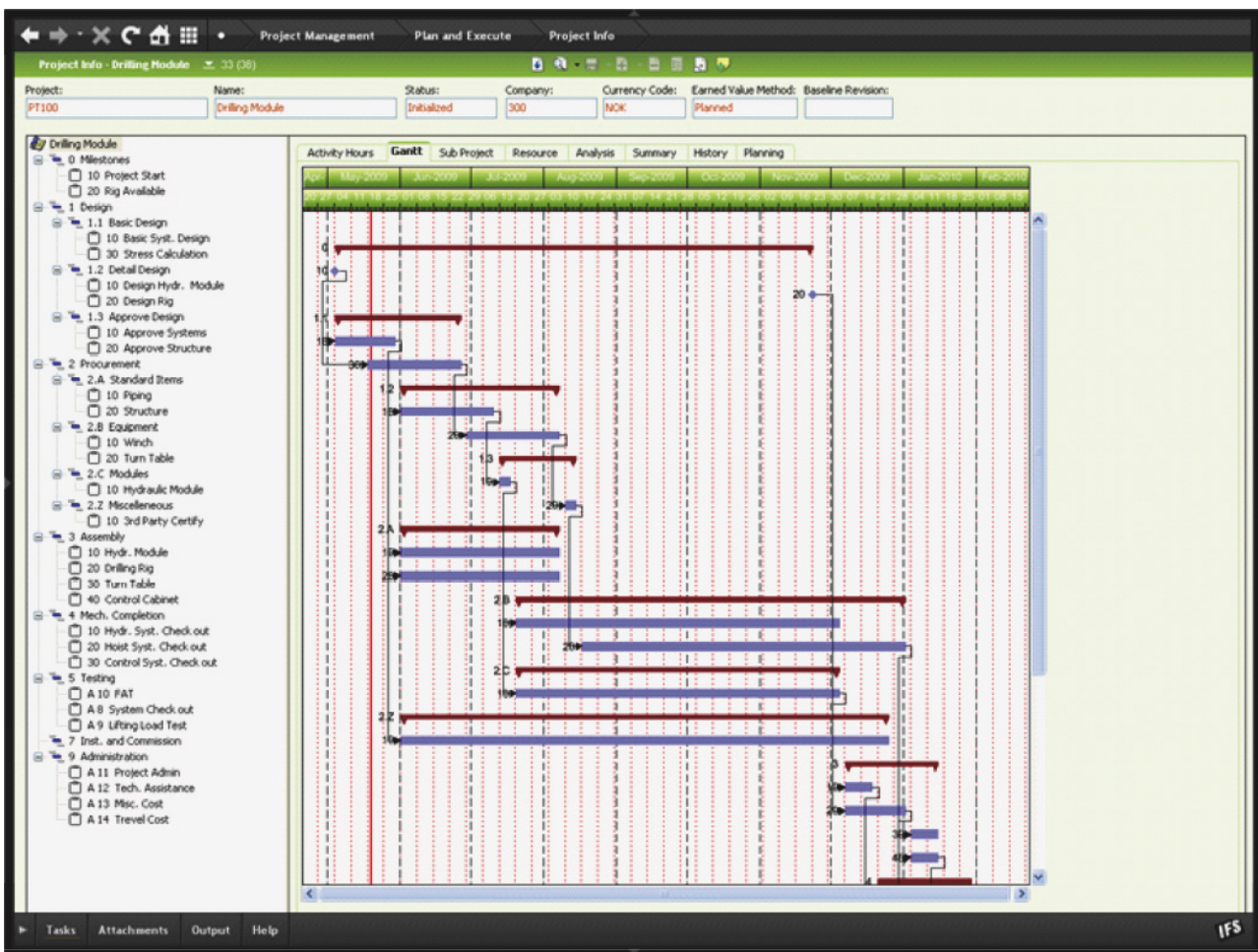


Figure: Example of a project WBS in IFS new user interface. Perhaps the most user-friendly interface on the market.

PROJECT BUSINESS REQUIREMENTS

IFS Project Based Solutions does not use the conventional manufacturing, BOM driven MRP model, instead it looks to the project plan dates to drive the requirement dates for deliverables connected to each sub-project or activity. Planning across resources and across projects means that an enterprise view of progress, exposure and risk becomes possible, and corrective actions can be taken early to ensure projects stay on track to both time and cost parameters. Because the project plan is directly connected to all of the execution tasks, visibility both downwards and upwards is the biggest single win. IFS Applications ensures financial integrity is guaranteed by collecting all project/contract costs and revenues to both the project and the GL simultaneously. The CFO will see the same summary amount as the project manager. The trails to source from each posting of any project value are available to both the operation departments and the finance functions. As a result, you have easier access to real-time project information that is relevant today - not just as it was reported in the Finance system a few days or even weeks ago.

To put it simple: IFS helps executives and project managers to better manage the future, not the past.

FUNCTIONAL BENEFITS INCLUDE:

- Integrated Engineering Register increases efficiency through ensuring automatic information flow from engineering to procurement
- Project Driven Material Management – Ensures that all equipment are procured and/or produced according to project plan and not controlled by the traditional manufacturing (MRP) process. Thereby providing time and cost savings
- Contract & Sub-Contract Management – unlike the traditional approach using purchase orders users are able to handle complex contracts and unstructured deliverables with certain rules for progress and invoicing
- Forecasting & Project Accounting – enables users to conduct cut-offs and forecasting in your projects independent of financial periods. Project Accounting enables users to automatically track progress from the projects and has automatic routines for revenue recognition
- The solution ensures information flow & visibility throughout your organization and allows for automatic handling of changes.