



RESOURCEPOINT™

InterOil Corporation

Client	InterOil Corporation
Product	ResourcePoint, powered by Microsoft Dynamics AX
Industry	Oil and Gas
Users	Over 185 end-users
Modules	<ul style="list-style-type: none"> • Microsoft Dynamics AX • Enterprise Asset Management (EAM) • Energy Finance Management (EFM) • Flow (integration software)
Offices Supported	Cairns, Australia (head office); Papua New Guinea (refinery and depots); Singapore (finance team); and Houston, USA (New York Stock Exchange division)
Testimonial	Patrick Slevin, Finance Systems Manager

Straight Talk

"Go for it!

I have already recommended Eclipse to industry peers – saying 'Microsoft Dynamics AX is the way to go – speak to Eclipse.'

I would recommend Eclipse and their services tomorrow."

Background

InterOil Corporation (InterOil) is a NYSE-listed company that has developed an integrated oil and gas company with operations based in Papua New Guinea.

The company has positioned itself to own assets through the entire value chain - from the well-head to retail. InterOil has also positioned itself through a joint venture holding company to develop a LNG project in Papua New Guinea. The joint venture company is targeting 2015 for the delivery of 'first gas'.





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Upstream: InterOil's exploration acreage portfolio is one of the largest held by a single company and comprises petroleum licenses covering about 3.9 million acres.

Midstream Assets: InterOil built and owns a Commercial Oil Refinery capable of processing 36,000 barrels per day.

Downstream: InterOil is the largest distributor of refined products in Papua New Guinea and distributes under its branded name InterOil Products Limited. InterOil's retail and commercial fuel distribution operations within PNG allows for them to be recognised as the largest fuel distributor in the country.

Challenges

A relatively young company, InterOil previously utilised AccPac for their financial requirements. However, as the company continued to expand their operations they recognised the need for more than just an accounting solution.

Managing a team to investigate software possibilities, Patrick Slevin, Finance Systems Manager, sought a new Enterprise Resource Planning (ERP) solution that would consolidate disparate databases, standardise business operations, establish operational efficiencies and provide the flexibility to handle the company's predicted growth.

"Besides finding a solution that could manage multi-currency, consolidated reporting, and monitor our oil and gas data from a single chart of accounts, our primary push was the ability to handle our joint venture accounting. This was very important for InterOil," said Mr Slevin.

"We wanted a single, integrated solution that would move our 54 separate databases into one."

The Solution

After careful consideration of alternative software solutions, Mr Slevin and the InterOil project team short-listed Microsoft Dynamics AX as one of their two preferred options.

"I completed a technology evaluation survey online and Microsoft Dynamics AX came back as the best solution to suit our business requirements - and Eclipse was recommended as a preferred implementation partner. Within 24 hours of my query, I had Eclipse on the phone to discuss our needs."

Eclipse recommended ResourcePoint, their customised vertical solution specifically developed for the oil and gas industry. Built on the Microsoft Dynamics AX platform, ResourcePoint provides InterOil with deep functionality required by the oil and gas industry, including: standard financials and reporting to stock exchanges; operations reporting across all sites; multi-currency capabilities, maintenance scheduling and repairs; enterprise asset management (EAM); and Energy Finance Management (EFM).



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Microsoft Dynamics AX provided InterOil with one central database that supported multiple locations and maintained the comprehensive inter-company trading and transactions process across their 50 separate global entities.

“From our first demonstration we immediately recognised the efficiencies that could be gained through Microsoft Dynamics AX. It was new Microsoft-based technology that offered user-friendly GUI and full integration with the Microsoft stack. Microsoft Dynamics AX provided the ability to consolidate disparate solutions and establish strong standardisations across the business.”

InterOil operates a considerably complex business as their operation handles exploration and production, through to refining operations and retail selling and distribution, across the upstream, midstream and downstream spectrum. To overcome this challenge, Eclipse delivered an enterprise-wide integrated solution that managed their business, from exploration activities through to pushing the pump.

During the project, Eclipse worked closely with other third-party partners who were sourced to support the front end retail and fuel distribution division. This database manages InterOil’s fuel storage and distribution and was integrated with their corporate financials (Microsoft Dynamics AX). In support of the solution, Eclipse also developed the middleware solution (Flow) to integrate the retail requirements of InterOil, with an average of 600 sales orders and 128 payment journals transferred from the fuel distribution software through to Microsoft Dynamics AX on a daily basis.

Outcomes and Benefits

With the ResourcePoint solution now fully implemented, InterOil has been able to utilise a single enterprise-wide solution across their entire oil and gas operation as they envisioned – plus, they have the capabilities to develop and grow the solution across the business. “In the company’s history, this is the first time we have operated from one platform.”

Through ResourcePoint, InterOil has implemented a structured security model to restrict users’ access to confidential data that supported the complexities across the organisations Sarbanes Oxley (SOX) compliance as well as easily managing their audit requirements. An approval process within the account payable process also needed to be introduced to become audit and SOX compliant.

“Since we implemented Microsoft Dynamics AX and consolidated down to one database - our audit costs have significantly reduced. The auditors have comfort around the standardised security model within AX that we have built across our different operating entities. ResourcePoint and Microsoft Dynamics AX have provided more control and detail over our expenditure. We’ve progressed from hundreds of Excel spreadsheets to manage our joint venture and partner billing, to one single database.”

“As an example: We spend millions on helicopters, with one permanently on standby onsite. This expenditure needs to be split across the appropriate projects and joint venture partners. Microsoft



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Dynamics AX now handles this. Plus, with the use of dimensions, our chart of accounts has significantly reduced from 5000 to 500 accounts.”

Eclipse as a Partner

“Eclipse’s consultants and technical developers are good – scarily good! From the beginning of the project they have understood our business requirements and delivered according to our needs. Eclipse flew consultants to PNG to provide extra onsite support throughout the project and go-live.”

“Their flexibility and willingness to just pick up the phone and assist with any issues, is second to none. We even contacted Eclipse for questions on solutions that they are not our primary partner of – as they are extremely approachable, knowledgeable and supportive.”

“We have experienced a higher level of service with Eclipse. This is more than just a business relationship and delivering a solution. Like their slogan says, Eclipse provides old-fashioned service – and we appreciate that!”

ROI

“We have experienced productivity gains and improved efficiencies around our consolidated databases and reporting since implementing ResourcePoint. Though our processes are more controlled and rule-driven, this additional control has brought standardised operations processes and best practices across the business.”

“We also recognised that InterOil has more business benefits to gain through the implementation of additional functionality within Microsoft Dynamics AX, including online approvals, document management and workflows. These future developments will only enhance our ROI in the solution.”