

# SEIZING THE ADVANTAGE IN A DOWNTURN

How a leading American Oil & Gas EPC company turned marketplace crises into catalysts for internal transformation



**DON'T JUST DIGITIZE.  
TRANSFORM.**

## ABOUT THE CUSTOMER

### PRODUCT LINES

Contract operations, aftermarket services and product sales

### LOCATIONS

Americas, Middle East, Africa, Europe and Asia Pacific

**The company offers natural gas processing and treatment, and compression products and services. Headquartered in Houston, with over 4500 employees, over the past 64 years the company has evolved as an industry leader in full-service, turnkey midstream infrastructure solutions, combining global resources with an unmatched level of local service and support.**

Years of acquisition-led growth had created a situation of increasing costs, decreasing efficiency and information silos triggered by the differences in the processes, methodologies, systems and cultures that had been acquired. At the scale in question, those differences were impossible to reconcile, much less resolve, without enterprise-wide changes at the macro level.

# FIRST ATTEMPT

## Digitize the processes

Over an eight-week initiative, the company automated their engineering and manufacturing projects at 3 locations using a shared technology platform and implemented ERP systems locally at each location. Everything else was kept just the same.

The upshot was better collaboration within the various offices and the ability to offshore work to lower-cost vendors, which led to some positive outcomes, but the benefits were more localized than global. However, the immediate need was satisfied.

Then came the downturn in the middle eastern Oil and Gas industry, which deeply affected the business; in 2018, the company saw no projects for over 6 months. The overheads were very high compared to the competition and limited their ability to compete.

The company needed a new strategy.

# SECOND ATTEMPT

## Don't just digitize. Transform.

The company started looking into standardization and cost optimization across the organization to drive efficiencies and create competitive advantages.

They identified four cornerstones of change:

- Create a new business model
- Unify systems and processes
- Balance the workload
- Reduce fixed costs.

The need to integrate people, processes, and technology at a global level became even more critical. All the company's data, documents, devices, deliverable had to somehow work in perfect sync, round the clock, across all teams.

A tall order. Fortunately, by this time technology had evolved to the point where all the above could be achieved with a single centralized system that was controlled and managed in the cloud.

The company partnered with Wrench Solutions, who they had worked with in their first digitization attempt, to build a new system that could support their new strategy. 30 key people from multiple offices worked with Wrench Solutions to roll out the technology that positively impacted 200+ people who were managing projects. The implementation, which was driven by a single person working on the site, was completed in 2 months, including extensive learning and knowledge transfer. With the new technology system under-girding their operations, the company went on to successfully execute their new strategy.

## Expand, Unify, Balance, Reduce

The company's new business model was built on two simple premises: expand business into new markets and meet customer needs affordably. They achieved this by transitioning from a product company to a services company whose solution(s) comprised of multiple bundled products, which they were able to deliver from anywhere thanks to their new cloud-based technology platform. They were also able to win new customers at extremely competitive prices by offering a package of investing, designing, building, and O&M services on a long-term contract basis.

With the new business model in motion, the company began the mammoth task of standardizing and unifying their systems and process into a single shared platform, in the cloud. This allowed teams around the world work seamlessly together even on 24-hour execution cycles.



Decentralizing the workforce and rebuilding it to leverage external teams allowed the company to distribute work optimally between full-time and part-time and/or freelance workers, which helped significantly lower overhead costs without negatively impacting work output or quality.

The company rationalized its operations by getting out of its non-core and centralized the information technology systems in the cloud resulting in huge savings. For example, they retained the engineering R&D teams in each location but rationalized the number of offices; which meant they could leverage in-house expertise but spread it around geographically to keep the cost-benefit ratio manageable. They also identified 16 high value partners globally (for generic work) and integrated them on the common platform. They standardized manufacturing operations, focusing on producing only the core equipment's and outsourcing the non-core equipment's to suppliers.

Then came COVID-19, which proved that the changes had come in the nick of time. Integrating the company's process along with its people was the best business decision they could have made because it allowed the company to continue functioning in the pandemic with barely a pause.

Result: investing in a comprehensive integrated technology system was instrumental in helping the company implement their new business strategy, point for point.

**“We desperately needed a way to connect operations and manage vendors - the ‘global workforce’ model was exactly what we needed. It’s allowed us to leverage in-house expertise but supplement it with low-cost talent as needed.**

**Senior Vice President,  
Global Engineering and Product  
Lines**



# THE TECHNOLOGY

Underpinning the system is Wrench SmartProject, world's first integrated project management platform specifically designed for engineering and construction.

How SmartProject simplified project execution:

## Standardization

- Established a common environment through which data is communicated, reused and shared efficiently.
- Enforced standards for ensuring quality across the organization.
- Assigned ownership of activities and tasks to individuals and teams.
- Enforced rules of credit on deliverable to produce more accurate progress.

## Collaboration

- Automated and sequenced the flow of work across all the project stakeholders.
- Enabled collaborative reviews on engineering documents to get the job done right.

- Stored detailed document history related to the management of documents including revisions, actions, and dates to handle disputes.
- Eased online exchange of information between engineering, procurement and manufacturing teams, and between client and vendors.
- Coordinated vendor relationships – from acquiring a vendor, through defining deliverable, to processing payments.

## Control

- Generated real-time dashboards and reports (including S-curves) to provide the management, an objective measure of the progress of work.
- Notified the project stakeholders of an upcoming task or pending activity to minimize the chances of projects getting delayed.
- Communicated with the Planning, ERP and CRM tools to share project information.
- Streamlined the change management providing the teams a centralized location to track change.
- Digitized handover of as-build to client at closeout (one single hub from where all reports, drawings, and manuals can be sourced).

## TIME TO THINK BIG !

The company is seeing the benefit of quick and decisive action in a time of changing realities, which although unsettling and counter-intuitive, is the perfect time to initiate aggressive change and be flexible to new business models. And the first step to survive in adverse conditions should be to reduce fixed operational costs. Following from that, it becomes obvious that technology is the ideal partner for this kind of transformation

Want to know how engineering consulting companies can transform in the post-COVID19 world ? [Download our](#) whitepaper now !



**Companies should rethink their use of technology - not just for collaboration to enable Work-from-home but to reduce the cycle time and to optimize the utilization of resources to create more opportunities.**

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