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ENERGY TECHNOLOGY MUSINGS

An offshoot of Musings from the Oil Patch, Energy Technology Musings will focus and provide commentary on notable insights, trends and news related to technology and software within the energy industry.



MANAGING A DIGITAL OIL AND GAS BUSINESS

Digitization of the oilfield has emerged as one of the most significant and growing business trends in the modern oil and gas industry. Over the decades of oil and gas industry history, the push by companies to succeed has been driven by increased use of the technologies employed by those segments of the industry that have needed computer power to analyze the data collected. Whether it was seismic data or downhole well and reservoir knowledge, the engineers and scientists responsible for industry technological breakthroughs have had to rely on the power of computers for processing the extensive volumes of data collected. Computers were tools engineers tapped not only for managing the voluminous data collected with advanced scientific devices, but importantly for manipulating the data with algorithms that generated pictures of the subsurface being explored.

At the other end of the business spectrum – the back office – accountants, commodity traders and logistic managers relied on computers to improve their efficiency. The back office has used accounting machines and computers for collecting and keeping track of data for years. Due to the importance of the financial data necessary for running businesses, these systems have always received management attention. These areas were ripe for the use of automation and digitization to reduce staff, speed up the flow of information and improve operational efficiency, thereby increasing profitability.

If you are going to build a 21st century oil and gas company, managements must consider not only how digitization can improve all aspects of the business, but how best to integrate all the various systems. The challenge for integration is making all of the various computer systems work together seamlessly. This is where companies that can create software platforms enabling disparate operational and back office computer systems to work together are becoming key for improving day-to-day operations of oil and gas companies. Large oil and gas companies are more likely to have the financial and operational resources to make their internal information systems function seamlessly, so smaller companies are prime candidates for seeking out these software companies that can help them operate as efficiently as the majors. Increasingly, software integrators will become critical for the financial and operational success of the oil and gas industry of the future. Operating costs must be reduced, and operating efficiencies increased. Greater profitability will come with increased digitization and fewer people. 🦋

COMPANY SPOTLIGHT



Industry Insights: Before the downturn starting in 2014, almost all of the oil and gas industry's investment dollars went to technologies for drilling and completing wells faster. As the industry realized that this downturn was going to be a "lower for longer" business environment, those investment dollars focused on how to drill and complete wells more effectively (e.g., longer laterals, more frac stages, etc.). Now, it appears operators are turning to software to play a major role in operational efficiency, but the development of the energy software sector is in the early stages. To put it in baseball terms, Quorum and PPHB believe it is still the third inning.

Value Proposition: Since its founding in 1998, Quorum has focused on developing software and services that enhance the efficiency of back-office operations for oil and gas companies. Quorum was one of the first companies to connect the field to the back office. For example, oil and gas companies were tracking data such as production volumes from the field using complex spreadsheets or ERP systems not tailored to oil and gas (i.e., SAP, Oracle, etc.)..... [READ MORE](#)

For this month's Company Spotlight, we interviewed Quorum about how their software suite is making the oil and gas industry more efficient as well as their approach on growth through acquisitions. Quorum offers an industry-leading portfolio of finance, operations and accounting solutions that empower our customers to streamline operations that drive growth and profitability across the energy value chain. For more information on Quorum, please visit: quorumsoftware.com.

NOTABLE NEWS

The RigUp platform is a disruptive technology that continues to shake up the traditional staffing model for contract personnel in the Energy industry. To our knowledge, RigUp is the first "unicorn" (privately-held startup company valued at over \$1 billion) in the Energy Tech sector. Furthermore, it is encouraging to see brand-name West Coast venture capital firms, such as Andreessen Horowitz (a16z), believing and investing in Energy Tech. 🦋

Related Press Release

[RigUp Raises \\$300 Million in Series D Funding Led by Andreessen Horowitz to Power the Energy Industry's Largest Labor Marketplace](#)

With multiple decades of operating data and industry leading tools Halliburton is well positioned to offer cloud-based software as a service ("SaaS") solutions. Through its Landmark, HAL has coined DecisionSpace® 365 for its digital, E&P SaaS applications deployed on its iEnergy® cloud. 🦋

Related Press Release

[Halliburton and Repsol Sign Cloud Data Management Agreement for Exploration and Production](#)

Charlesbank, through their Technology Opportunities Fund, acquired WolfePak which specializes in providing enterprise resource planning, operational and regulatory compliance software to approximately 1,900 customers in the oil and gas industry. A key for WolfePak will be to continue to stay relevant in a market that is quickly evolving and dominated by larger companies that possess broader suite of software solutions. 🦋

Related Press Release

[Fort Point Sells WolfePak to Charlesbank](#)