

## CROSCO, INTEGRATED DRILLING & WELL SERVICES CO, LTD.

In 1932., a wooden derrick and a pioneer drilling crew, marked the beginnings of the oil and gas industry in Croatia. Following a succession of growth and development, Crosco has evolved into an international contractor that has provided services in 23 countries for some of the worlds most recognized operators and with annual revenues surpassing US 130 million. Today, Crosco in an integrated onshore and offshore drilling and well services contractor. The company has a fleet of more than 50 modern drilling, workover and geoservice rigs, as well as one semisubmersible and two jackups.

In addition, with state-of-the-art western equipment the following core services are provided: Well Testing, Coil Tubing, Nitrogen, Cementing, Stimulation, Logging, Mud (Drilling Fluid), Coring, Fishing and Directional Drilling. Services are provided on a dayrate, meterage or turnkey basis. Crosco also provides Corrosion Protection and Environmental Services



Crosco is globally recognized contractor on the world level service sector of oil drilling, with high profitability standards.

Crosco is the member of the INA Group. It has a 72-year long tradition in innovation of its business activities. CROSCO was founded in 1997 after reorganisation of INA (100% ownership by INA) and it employs 2300 people. 80% of its business activities are abroad.

Today Crosco is present in 23 countries all around the world and it is one of the worlds most recognized operators in oil and gas industry with annual revenues surpassing US 130 million. Crosco is an integrated onshore and offshore drilling and well service contractor, workover and geoservices rigs, as well as one semisubmersible and two jackups.

Today companies need up-to-date information in order to make the right business decisions so CROSCO' s management decided to implement SAP integrated solutions to solve the problems of the disintegrated information which caused failure in having an accurate picture of the current business situation.

Due to the fact that INA Refinery Rijeka was the first SAP project in Croatia, successfully done by b4b in 1994, CROSCO decided to choose b4b, leading regional SAP consulting company, to be its business partner in SAP implementation process. The focal point in choosing b4b for its partner, beside experience in oil industry, was the high quality b4b consultant team and the possibility to work with local SAP partner familiar with local language, law practice and local business practice.

The main challenge of the project was to build integrated information system in CROSCO based on SAP platform – business project reengineering. Project was organized in 3 phases: 1. implementation of 5 modules: FI, CO, AM, PM and MM, 2. implementation of other modules (HR, TR, CM) 3. constant upgrade of the system.



CROSCO ultimately chose SAP R/3 for a number of reasons – including a favorable cost-benefit ratio and the software's high degree of integration and ability to improve efficiencies company-wide. The company also chose SAP software because of its strong reputation throughout the global community and because it could work well with existing systems, thanks to its high degree of flexibility.

The first phase of implementation took place in 1998. with implementation of SAP R/3 3.1H CROSCO (FI, CO, MM, PM). b4b consultants came on board to help with the implementation, while CROSCO's staff carried out system administration.

It was a few years later that the company decided to regroup and implement the most current version of the software. So in, 2001. it was made upgrade to version 4.0B, and in 2002. implementation of SAP R/3 4.0B was made for Midwesco (FI, CO, MM). And finally, in 2003. it was made upgrade to version 4.6C, TR, HR.

Implementation of SAP in MIDWESCO from Oman, company owned by CROSCO, was the first implementation project for Croatian company completely carried out from a distance («remote»).

As a result of the implementation, CROSCO was able to eliminate redundant data and processes and minimize errors. It now has access to high-quality information and can determine key performance indicators quickly and easily. In addition, CROSCO can plan more effectively, thanks to tight integration between purchasing and materials management processes.

The implementation enabled CROSCO to optimize asset maintenance processes as well as streamline and automate management. It also helped the company standardize and integrate related processes among the company's operational areas.

CROSCO head office in Zagreb, and the drilling rigs on distant places are connected through the Internet connection and satellite Internet connection, as well as Midwesco and other parts of CROSCO. This enable high degree of integration and efficiency. Dislocated parts of the company and central office are connected through the GPRS modems because this enable the durable connection and mobility.

CROSCO has significantly improved its competitive advantages on the market because SAP system implementation has improved company business transparency and its possibilities of planning and controlling business processes and management activities. The strategic goal of the SAP system implementation was accomplished – improvement of information management quality in order to win the leading role on gained markets and to expand the business to new markets, which nowadays requires top-quality technology, which SAP certainly is.



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