



*“Before effectively using Microsoft Reporting Services, we had a fireplace with no control over the temperature; now we have a thermostat.”*

*Mike Howard  
Procurement Manager  
Hercules Offshore*



## Hercules Offshore

Industry: Offshore Oil Services

HQ: Houston, Texas

Problem: How to give rig managers access to rig reports at a moment's notice and how to ensure that corporate purchasing procedures are being followed.

Solution: Microsoft SRS Reporting Services

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## Accudata Systems Implements Microsoft SRS Reporting Solution for Hercules Offshore's Drilling and Procurement Processes

### THE CHALLENGE

When Hercules Offshore – a leading provider of contract natural gas and oil drilling rigs and lift boats – decided to make a concentrated effort to utilize their Microsoft SQL Reporting Services solution to its maximum potential, they contacted Accudata Systems, Inc. in February 2007 for assistance. Hercules Offshore owns and operates the largest fleet of offshore drilling rigs along the U.S. Gulf Coast and the Caribbean Basin and engaged Accudata Systems to customize their reporting and tracking systems to meet the specific needs of their drilling and procurement processes.

Hercules Offshore's rig managers need to be able to access rig reports at a moment's notice, so creating reports that were easily accessible was crucial. The original reporting application they were using interfaced with the rigs and recorded information such as bit depth, water depth, and weather conditions in Microsoft SQL Server. Rig managers received reports every morning but the information was not in the desired format and it did not conform to International Association of Drilling Contractors (IADC) standards.

Another area where Hercules Offshore requested assistance was their procurement system. Constantly resupplying their rigs with equipment and provisions for continual operation on a 24x7 basis is a massive undertaking, and Hercules Offshore employs dedicated buyers to purchase all of the equipment and ensure its timely shipment to the correct rigs. Making sure that buyers follow the proper ordering, competitive pricing, and purchasing procedures is financially essential to Hercules Offshore since they purchase millions of dollars worth of goods and services each month. With such an expansive operation, there were some “unknowns” in their purchasing organization concerned with the need to know if purchase prices were competitive and whether or not vendor price-guarantee agreements were in place and being utilized.

Hercules Offshore also had high-level concerns about the general oversight of individuals throughout the purchasing process. They wanted to track the approval process, the escalation process, the amount each buyer was spending on each rig for a given time period, and how long it took an order to move from confirmed to placed, approved, and received.

### THE SOLUTION

Through multiple discussions with Hercules Offshore management, and because both their drilling and procurement applications already stored data in Microsoft SQL Server, Accudata Systems developed a solution featuring Microsoft SQL Reporting Services (SRS). By using SRS, Accudata Systems was able to create web-based reports that were linked into Hercules Offshore's existing Microsoft SharePoint implementation and could be accessed and run by end users. The first phase of the project consisted of creating reports in SRS that were drilling specific and were primarily used by drilling rig managers. The

second phase focused on creating SRS reports that were specific to the procurement system.

The goals for the first phase of the project, which was concerned with the drilling process, were as follows:

- Create an IADC Rig Report and a Morning Summary Report, which are used by rig managers to determine the daily status of each rig.
- Allow buyers to ensure that current purchase prices are competitive with past pricing.
- Give buyers the ability to determine which items being purchased are covered under a price-guarantee agreement with specific suppliers, enabling a lower than normal cost for the item.
- Facilitate the use of all the price-guarantee agreements that Hercules Offshore has in place so buyers can ask for the lowest price for an item and not have to pick the first supplier on the list.
- Ensure that the proper procedures for approvals and escalations are being followed.
- Give management the ability to determine how much each buyer is spending on each rig for a given time period and monitor how long it typically takes a buyer to go from “order confirmed” to “order placed, approved, and received.”

The challenge with the drilling reports was to make them look like the new standardized drilling reports that were already available in another web-based environment. David Vance, Information Management Technology Lead for Accudata Systems, commented, “To meet this challenge, we worked closely with the rig managers on the format and whether the fields were displaying the correct data.”

The goals for the second phase of the project, which was concerned with the procurement process, were as follows:

- Clean up the database
- Redesign the drilling reports.

To clean up the database, Accudata Systems created a report that identified all of the purchase orders (PO's) that needed to be closed per criteria provided by Hercules Offshore. This report allowed Hercules Offshore to quickly and easily close PO's by using Microsoft SQL. Once the database was in order, Accudata Systems created reports to provide the detailed information that had been requested by the end users, such as:

- Data to calculate the average cost of products, the actual costs of each product, and costs from any supplier that had been ordered from in the past.
- Items that were currently under price-guarantee agreements, along with the cost and supplier providing the agreement.
- Throughput reports containing the number of PO's issued each day to provide raw numbers for analysis

as well as a graphical interpretation of the data that displays daily overviews of performance.

## THE RESULTS

Thanks to the new Microsoft SRS reports, Hercules Offshore management has been able to achieve all of their goals for the drilling and procurement processes. Now they can easily and quickly access the desired drilling or procurement information and this allows them to proactively manage issues on a daily basis rather than reactively dealing with larger, more complicated or expensive issues later on.

Rig managers now receive rig reports and daily morning reports in the proper format. Regarding the drilling reports, David Vance relates, “The beauty of the drilling reports is that they are easily accessible on the intranet

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Information Management Technology Lead  
Accudata Systems*

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Hercules Offshore management can now see which vendors each buyer uses on a consistent basis and if buyers are using a supplier they have an agreement with when one is available. The individual buyers also have more information at their fingertips, enabling them to make fiscally responsible purchases rather than selecting a supplier at random. With Microsoft SRS and Accudata Systems' help, Hercules Offshore has been able to increase oversight on their buyers and their procurement division as a whole, implement tighter controls on their spending, and save money by using supplier agreements when available.