

## CASE STUDY

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### **Statoil Uses SAP Learning Solution, LSO 100, for Enterprisewide Learning Management**

Sponsored by: SAP

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Rebecca Segal  
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#### **IDC SUMMARY**

Statoil is an integrated oil and gas company headquartered in Norway. Represented in 28 countries, the company has 17,000 employees, with nearly 40% working outside Norway.

Similar to many large, distributed enterprises, Statoil has training groups distributed among the various functional areas of the business. Among the company's 17 training groups are different systems for the delivery and management of learning initiatives; approximately eight of these systems were in use prior to 2003. These systems were also not integrated with mySAP ERP Human Capital Management (mySAP ERP HCM), which prohibited the company from using a competency-based approach to managing its training programs.

In 2002, Statoil began the process of evaluating SAP Learning Solution to consolidate these various systems. The most pressing requirement for Statoil was a solution that provided an easy and tight integration with mySAP ERP HCM.

After a six-month implementation process, the company is now using SAP Learning Solution to manage over 1,100 courses of all delivery types. Overall, the system has proved to be an easy-to-use tool that gives employees and managers the ability to plan and track competency-development activities. The company has also replaced several legacy systems and increased its usage of elearning through better visibility of available courses across the enterprise.

#### **IN THIS STUDY**

This study reviews Statoil's adoption of the SAP Learning Solution. It discusses the reasons for product adoption, implementation, costs, usage, satisfaction, and future plans for the system.

## SITUATION OVERVIEW

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### About the Organization

Statoil is an integrated oil and gas company headquartered in Norway. Represented in 28 countries, the company has 17,000 employees with nearly 40% of these employees working outside Norway. Statoil is the leading producer on the Norwegian continental shelf and operates 20 oil and gas fields.

The company's primary training initiatives focus on:

- Exploration and production
- Drilling operations and maintenance
- Safety and environmental concerns
- Technical skills for engineering and geology professionals

Delivery modes for the various training initiatives employ a variety of techniques, including elearning, classroom instruction, and CD-ROM.

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### Business Case

Similar to many large, distributed enterprises, Statoil has training groups distributed among the various functional areas of the business. Among the company's 17 training groups are different systems for the delivery and management of learning initiatives; approximately eight of these systems were in use prior to 2003. These systems included a variety of technologies, including Domino, SAP Training and Event Management, and miscellaneous desktop and Internet systems. These systems (except SAP Training and Event Management) were not integrated with mySAP ERP HCM, which prohibited the company from using a competency-based approach to managing its training programs. Disparate systems also posed other challenges for the organization:

- Lack of visibility into overall training activities and costs.** The total amount spent on competency development and training was very difficult to obtain and thus could not be effectively managed.
- Difficulty in responding to regulatory requests.** Statoil must respond to regulatory agencies that require documentation on training compliance. Responding to these demands was difficult without a single repository of training completion.
- Operational inefficiency from managing multiple systems.** Manual data entry was often required to consolidate training information among various legacy systems, resulting in inaccurate or late information. Additional IT resources were also required to maintain these multiple systems.

- ☒ **Inadequacy of current systems for elearning.** SAP Training and Event Management was the primary business application in use for training management. However, it was not deemed suitable for elearning by the various groups using other systems.

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## **Evaluation Process**

mySAP ERP HCM is the preferred solution for HCM-related administrative processes for Statoil. The company researched Learning Management Solution (LMS) implementations from other enterprises in Norway and Europe and concluded that an integrated LMS/HCM solution would be well accomplished with SAP.

SAP Learning Solution was confirmed as the right solution during a pilot project in 2002. Corporate Center & Services (the organization leading the project) solicited the input of 80 stakeholders to evaluate usability and help determine what would be needed to make the application usable for their departments.

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## **Implementation and Operations**

### ***Implementation***

The implementation process started in February of 2003 and lasted six months. A core team of seven was involved full time, and another 14 staff members assisted on a part-time basis. Total man-hours for the project were 7,000. The team spent considerable time modifying the interface to make it more user friendly. The system is internally operated and maintained, and is available on an enterprisewide basis to all 17,000 employees through the SAP Enterprise Portal. The implementation comprised the majority of the budget compared with other costs (e.g., software, hardware).

### ***Content Creation***

The majority of Statoil's elearning content is custom developed because it deals with topics related to plant and rig operations, safety standards, hazardous materials, oil and gas engineering, and so forth. The company has been using elearning for over six years and has a catalog of over 100 online courses that needed to be integrated with SAP. A total of 1,100 courses are available in the catalog. As with many organizations, Statoil leverages both internal and external content development resources. The content is developed as SCORM-conformant packages, imported into the Learning Solution via the Authoring Environment, checked in to the master repository, and finally published to the curriculum and the learner.

**TABLE 1**

## Primary Functionality Being Used

Resource management	Yes
eCommerce	No
Competency management	Yes
Web-based training	Yes
Third-party content	No
Virtual classroom integration	No
Content-creation tools	SAP, Flash, HTML
Analytics	No
Assessment	Yes
Security domains	Yes
Portal integration	Yes (SAP Enterprise Portal)
Multilanguage	Yes (English and Norwegian)

Source: IDC, 2004

Integrating the legacy courses into SAP Learning Solution required that courses be rebuilt so they could be delivered with the SAP Content Player. Although SAP supports SCORM, the implementation team needed to invest time in learning how the SAP content technology would work with legacy courseware. The majority of the legacy courses were built with Flash and HTML. A consultant that specializes in SCORM and elearning content assisted in this effort. SAP provided several workshops on identifying and solving content challenges.

### ***Operations***

The system is installed internally and managed by an IT organization that also administers the companywide portal. The business requirements are managed by the vice president of Human Relations. Operations staffing consists of one-half of a full-time equivalent (FTE) from IT and one-half of an FTE for training administration.

The system allows employees across the enterprise to search, register, and take over 1,100 courses. Prior to installing SAP Learning Solution, this was impossible due to the disparity of the various systems in use across the company. The catalog includes all courses, regardless of how they are delivered, including instructor led, seminars, workshops, CD-ROM, and Web based. After completing a course, the employee's qualification records are updated; this is automated in the case of an online course.

Qualifications can also be assigned an expiration date for compliance with recurring certifications.

Overall, the system has proved to be an easy-to-use tool that gives employees and managers the ability to plan and track competency-development activities. The company has also replaced several legacy systems and increased its usage of elearning through better visibility of available courses across the enterprise.

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## Lessons Learned

The SAP Learning Solution implementation team advised others to consider the following when considering an LMS implementation:

- ☒ **Consider process prior to system configuration.** The development team discovered that being clear about training business processes was important prior to starting the configuration of the system. This was a challenge, since there were various training groups around the company that needed to agree. The project manager facilitated several meetings with all stakeholders to review the processes, communicated them back to the training groups, and then used this documentation during system implementation. System implementation should start with process review and reengineering to develop common training and development processes prior to any system customization.
- ☒ **Understand the implications of content integration.** The implementation team underestimated the work required to make the content play as it should and report progress data back to the LMS. Although SAP provides SCORM support, legacy content may need modification to ensure compatibility with the LMS. An outside contractor as well as the expertise of SAP consultants was used to assist in this process. External content developers will need access to the SAP authoring tool to build courses. Also, because of the company's wide range of authoring technologies in use, users needed specific versions of Microsoft VM, Java, Shockwave, and Flash on their desktops.
- ☒ **Acquire the needed technical skills.** Implementation of SAP Learning Solution requires competency in HTML and Java, and programming of the learning portal business server pages — a new technical landscape for the implementation team. These skills were acquired through courses, workshops, and continuous consulting with SAP Learning Solution implementation resources.

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