Dear Oil and Gas Community,

Please join us in congratulating our new SAP Co-CEOs, Jennifer Morgan and Christian Klein, for this tremendous opportunity to build on a strong foundation for the future of SAP.

In this edition, we are delighted to share with you another big announcement: the SAP S/4HANA Cloud for upstream oil and gas release 1911. Discover new features and enhancements across all lines of business, delivered with this latest release.

Explore how new capabilities of SAP S/4HANA can help deliver significant benefits in the form of better visibility, analysis, insight, and decision making for commodity trading and risk management (CTRM).

Find out more exciting news and stories:

- Read about what Chevron thinks of the SAP Cloud consortium that guides the development efforts for SAP S/4HANA Cloud for upstream oil and gas
- Discover how SAP is partnering with Microsoft
- Deepen your knowledge on how the Intelligent Enterprise is transforming the Oil & Gas industry
View success stories from Precision Drilling and Vivo Energy

Investigate how Multi-tenant digital core is using public cloud infrastructure and customer experience optimization (experience management - XM)

Gather more knowledge about change management strategy

Learn how to expand your digital capabilities with Kathryn Zwack from SAP Ariba

Additionally, this September, we held an outstanding Best Practices for Oil and Gas conference. Sixty-eight (68) unique companies traveled across the globe to share, learn, and innovate together with SAP experts and their business peers. Here we have summarized the most memorable moments, announcements and highlights of this event.

All this and much more is waiting for you in our SAP Bulletin - December 2019 edition.

Enjoy your copy of SAP Oil and Gas News!

1. SAP News: SAP Sets Course for the Future with Next-Generation Leadership Team

   After 17 years at SAP, Bill McDermott is stepping down from his position as CEO. In activating its long-term succession plan, Jennifer Morgan and Christian Klein have been appointed Co-CEOs, effective immediately, with the approval of the Supervisory Board. Bill will remain in an advisory capacity until the end of the year to ensure a smooth transition.

   Read more
   LinkedIn
   Watch the Video (CNBC)
   Read one of many gratitude letters for Bill MCDermott

2. SAP S/4HANA Cloud 1911 Release: The Intelligent Enterprise Meets the Experience Economy

   Becoming an intelligent enterprise in the experience economy is a journey, and it will take most organizations several years to achieve the full expected potential. The progress that SAP continues to make with the SAP S/4HANA Cloud 1911 release brings that promise closer than ever.

   Read the announcement
   Find more details in a blog
   Watch the video
3. **Customer Story: Chevron and SAP Co-Innovate on a Cloud Solution for Oil and Gas**

With co-development partner, Accenture, SAP formed a consortium of over thirty oil and gas companies to develop industry-defined market standards for a cloud solution based on SAP S/4HANA Cloud for upstream oil and gas.

As SAP incorporates intelligent technologies like artificial intelligence, machine learning, and so on into back-office processes, Chevron is at the table to help evaluate the technology and mature it to a point where a cloud-based software-as-a-service model can work for upstream oil and gas companies on a large corporate scale.

Chevron, like other oil and gas companies, wants to squeeze out inefficiencies from the costs of doing business and focus on what energy resources are available.

Watch the video
Read the article

4. **Customer Story: Precision Drilling Turns Industry Downturn into a Sweeping SAP S/4HANA Transformation**

All companies in the oil and gas industry face the unpredictability of the ups and downs of the commodity markets. The technology team at Canada's largest drilling rig contractor, Precision Drilling, decided to use a downturn as an opportunity to rebuild its ERP system for the future with a sweeping greenfield SAP S/4HANA implementation.

Read more

5. **The Intelligent Enterprise for the Oil & Gas Industry**

Discover how the intelligent enterprise is transforming the Oil & Gas industry with insights from Benjamin Bebarness, SAP's Global Head of Oil & Gas Industry.

Watch the video
6. Challenges in Oil and Gas for Procurement Leaders

As a chief procurement officer, you know you need to get the best bang for your buck in buying equipment at the highest discount and the best terms and conditions for maintenance and service.

You have complex long- and short-term contracts, which have special rules and regulations. And you are responsible for making sure that your company negotiates fair and compliant pricing around the globe.

In this blog, Craig Kindleman and David Shimbo, SAP, will show you how to get the most out of your suppliers, how your obsession with the customer is not unwarranted, and how to create your roadmap to organizational change.

Read the full article

7. Public Cloud Accelerates the Oil & Gas Experience Economy

At the recent Best Practices for Oil and Gas conference, ARC Advisory Group learned about a consortium of oil and gas companies moving towards a market standard, multi-tenant digital core using public cloud infrastructure. Building a market-standard business process in a multi-tenant public cloud has always been the industry's "holy grail."

ARC observes that this acceleration to the cloud is likely to bring new focus on optimizing how companies manage the customer experience.

Read the whitepaper

8. SAP for Commodity Trading and Risk Management

The growing pressure on commodity-driven companies from today's market has spurred a new need for both traders and the enterprise: A fully integrated commodity trading and risk management system. Explore how new capabilities in SAP S/4HANA can help deliver significant benefits in the form of better visibility, analysis, insight, and decision making.
9. **SAP Partners with Microsoft for First-in-Market Cloud Migration Offerings**

SAP will lead with Microsoft Azure to move on-premise SAP ERP and SAP S/4HANA customers to the cloud through industry-specific best practices, reference architectures and cloud-delivered services. This includes future deployment and migration of existing direct SAP HANA Enterprise Cloud customers leveraging hyperscaler infrastructure.

**Read more**

10. **Unlocking Value in The Oil and Gas Industry**

There is no time like the present for oil & gas enterprises to expand their digital capabilities, says Kathryn Zwack from SAP Ariba.

- Senior executives need to prioritize and sponsor these initiatives to ensure success at lower organizational levels.

- A digital strategy roadmap is a must for every company in the industry, as is developing an internal culture of learning and adoption of these solutions.

- In addition, integrating data should be at the center of any initiative to enable the visibility into spend and organizational productivity that can truly move the needle.

**Read the full article**

11. **Embracing Disruption in Oil and Gas**

How will your company respond to the paradigm-shifting effect of renewable energy and the digitization of business processes?

**Watch the video**
12. HR: Workforce Dynamics Are Driving Change in Oil and Gas

As an oil and gas HR executive, you know that downsizing, restructuring, and mergers and acquisitions are a way of life. There’s the boom-and-bust cycle – including the rampant hiring when things are going well.

Business success depends upon people’s engagement in the company culture. And we see many factors driving the shifting oil and gas workforce, including demographics, technology, and globalization.

Read more

13. How to Build A Successful Change Management Strategy

Once you have carefully designed and tested your new processes and modelled them in the system, your next focus should be change management. Indeed, knowing how things should be done is one thing, but what to do when they don’t?

Read the full article from Amandine Cazeaux, senior finance executive for a leading oil field services company.

14. SAP and Accenture Co-Innovate with the Oil and Gas Industry

Guided by the upstream Oil and Gas consortium comprised by seven oil and gas companies, SAP and Accenture have co-developed a native cloud solution called SAP S/4HANA for upstream oil and gas. The new release of this solution is changing upstream oil and gas and is the foundation for the intelligent enterprise.

Watch the video

15. Competing as An Ecosystem in The Oil and Gas industry

The oil & gas industry is subject to constant economic and geopolitical volatility, not to mention global trends of renewable energy and sustainability. For many companies in the industry, this requires ongoing vigilance and adoption of new business models. However, by leveraging the knowledge of, and collaboration with
partners and suppliers, oil & gas companies can better address these disruptions and mitigate risks to their businesses.

Read more

16. Upstream COO: Focus on Increasing Production and Reducing Operating Costs

As an upstream oil and gas chief operating officer, you have a huge responsibility for exploration and production (E&P) – e.g., what's your cost per well? And if you get it wrong, you stand to lose a lot of money – and risk your company's future.

As a result, you're much more attuned to key performance indicators (KPIs). In this blog, Craig Kindleman and David Shimbo of SAP are talking about how to get more KPIs than you ever dreamed of.

Read more

17. The Downstream COO: Getting Results. Keeping Results

As a downstream COO, you are tasked with getting results – and keeping results.

The COO is the business-change champion of downstream oil and gas. As you collaborate with the CFO, you have a high ability to impact your company – the operations, the sales, the revenue – and the bottom-line financial results.

Read another article from Craig Kindleman and David Shimbo reaching out to downstream side of the business.

Read more

18. Downstream Oil and Gas CFOs: A Change in The Financial Landscape

Downstream CFOs are seeing a change in the financial landscape. They're seeing that the oil and gas value stream not only consists of refining, marketing, and secondary distribution – but also the end customer. All these processes need to fall into place before you can
19. Learning Journey for Oil and Gas

Follow the column of Grzegorz Posyniak, SAP Learning Hub expert, to get most current and informative assets for your Learning Journey.

Two e-Books have been added dedicated to **SAP S/4HANA Joint Venture Accounting** (On-Premise/Cloud) in the "expand your skills" section of the Learning Journey.

Get to know more

20. Conference News

**Game-Changing Digital Downstream Solutions at BPOG 2019: 5 Highlights from Implico**

For Implico, BPOG 2019 marked a brilliant chance to underline their position as thought leader of digital transformation in downstream. Get introduced to the top five highlights from Implico's conference program.

Read more

21. The Secret Life of Leaders with A Relentless Focus on Value Creation

When a leader is described as "relentlessly focused on value creation," I often wonder if this is just another way of playing the language game. However, according to **Melody Meyer**, board member of BP and president of Melody Meyer Energy, value creation is about making decisions that lead to differentiated results.

Read more

22. Intelligent Technology And Experience Converge In A "New" Era Of Continuous Change
Year after year, we all say that change is the new normal. But, let’s face it, we never thought it could be this fast, this deep, and this transformational as it is right now.

Read another great article from Paul Kurchina dedicated to the Key Note of Peter Maier at SAP BPOG 2019.

23. Change: Why It’s Harder And What You Should Do Differently

Change, especially when driven by technology, rarely discriminates. The democratic nature of digital innovation is transforming some of the best practices of one industry, like oil and gas, to closely parallel those used by a retailer or manufacturer, for example.

According to Geoffrey Cann, author of Bits, Bytes, and Barrels: The Digital Transformation of Oil and Gas, more jobs are now at risk from digital innovation – even privileged white-collar jobs that have been, for many years, mostly immune from the waves of change that have upended factory jobs and clerical work.

Read more

24. The Truth About Change Management – And Other Lessons from An Energy Giant

Whether a change is anticipated or avoided, executives – such as Jim Green, general manager of IT service delivery at Chevron Corporation – believe in their shared responsibility to embrace it. "Businesses must help their employees and partners, as well as local communities and the entire world, move through change with a value proposition that benefits everyone," he said during the keynote presentation at the 2019 Best Practices for Oil & Gas conference.

Read more

25. Best Practices for Oil and Gas 2019 Highlights

Almost 700 people from 68 unique companies traveled from across the U.S., Canada and beyond to attend the 9th annual Best Practices for Oil and Gas in The Woodlands, Texas, in September.

Brent Potts, SAP, is highlighting the key points from BPOG
26. Upcoming Event

SAP International SAP Conference for Oil and Gas

1-3 April 2020
Basel, Switzerland

Read more