

Dril-Quip, Inc. OneStream XF Success Story

About Dril-Quip

Dril-Quip, Inc. (the “company” or “Dril-Quip”) is one of the world’s leading manufacturers of offshore drilling and production equipment that is well suited primarily for use in deepwater applications. The Company designs and manufactures subsea, surface and offshore rig equipment for use by oil and gas companies and drilling contractors in offshore areas throughout the world. Dril-Quip also provides technical advisory services, reconditioning services and running tools for use in connection with the installation and retrieval of its products. To learn more visit <http://www.dril-quip.com/>

Company

Dril-Quip

Industry

Manufacturer

Implementation Partner

HollandParker

Corporate Performance Management & Planning Solutions Delivered

- Financial Consolidation & Reporting
- Planning, Budgeting and Forecasting
- XF MarketPlace solutions for Sales Planning, People Planning, and Capital Planning
- XF Cloud

Business Challenges:

- Excel spreadsheets for consolidation, reporting and planning
- Manual processes for data loading, integration and mapping
- Management had limited visibility into how financial data was derived, no transparency

The Challenge

Dril-Quip previously used Microsoft Excel spreadsheets as a consolidation and reporting tool for their month end close process. Inconsistencies in data collection via Excel spreadsheets created a lengthy and inefficient close process for Dril-Quip. Further, the visibility senior management had within geographic segments limited the ability to make strategic decisions.

Budgeting and Forecasting were prepared in Excel using a top-down approach. The regional controllers were responsible for taking the Excel spreadsheets from each entity and department within their responsibility and aggregating the data into income statement format using Excel formulas. Drivers and versioning were disjointed and not easily identified.

The company wanted a unified and streamlined solution for all their financial consolidations, internal and external reporting, forecasting, and analysis – that is easily maintained, with the ability to push down accountability to global regions and that delivers accurate reporting. The company also had a need to strengthen its internal controls over financial reporting.

The OneStream XF Solution

Dril-Quip evaluated both OneStream XF and Oracle HFM as solutions to address the challenges faced. Both vendors presented demos to Financial Reporting, International Accounting, and Senior Management to ensure the application would address SEC filings, statutory requirements, and growth initiatives. As such, a 5-year total cost of ownership inclusive of consolidations, forecasting, account reconciliations, additional users, hardware, and upgrades for both applications was reviewed.

OneStream XF was ultimately selected as management wanted one solution to address all challenges versus multiple solutions that would need to be integrated with each other through additional software. OneStream was initially deployed as an on-premise solution that could run on existing servers, whereas Oracle required specific hardware that would need to be purchased. Further, those with prior experience in HFM stated, “OneStream has made everything that was difficult or disconnected in HFM a smooth and seamless process.” Later, Dril-Quip leveraged the cloud support team at OneStream to seamlessly move to the Microsoft Azure cloud within hours. Notably, Dril-Quip Management placed over ten reference calls and noted that upgrades took hours rather than months. Overall, OneStream was chosen because it was determined to be a lower cost provider with a better product and better customer service.

Key OneStream XF Benefits

- Replaced Excel used for financial consolidations and reporting
- Easily combine actuals with the 18-month forecasting
- Multiple financial reporting solutions delivered in a single application
- Guided Workflow help improve the quality of financial results
- Elimination of manual tasks through automation
- Improved internal controls and better audit trails
- Enhanced visibility into driver-based revenue and expense forecasts
- New and improved fixed asset model
- Use of XF MarketPlace Solutions
 - People Planning
 - Sales Planning
 - Capital Planning

Dril-Quip initially implemented OneStream XF to deliver multiple solutions to meet all their financial reporting and planning requirements in one application. This included:

- Corporate Financial Consolidation and Reporting
- Global Rolling 18-month Forecast
- Sales Planning - leveraging data from Oracle CRM and an internal backlog report
- People Planning to manage headcount and salary planning
- Capital Planning to manage fixed assets and depreciation planning

Replacing Excel and Streamlining Financial Reporting

Dril-Quip replaced several spreadsheets and homegrown solutions with a singularly unified OneStream XF solution. OneStream provided confidence in the data that was being reported not only internally but also externally to the market.

OneStream XF delivered a simplified process by providing global regions the ability to load their own trial balance directly from the general ledger; providing timely and accurate reporting. Dril-Quip was able to capture Inventory turnover in OneStream with the use of custom dimensions. This provided an accurate picture of their balance sheet metrics for days inventory outstanding (DIO).

With the pre-built functionality for automatic intercompany eliminations, OneStream makes it easier for business units to identify and quickly resolve any out of balance conditions with their intercompany accounts. OneStream has also made it easier for Dril-Quip to generate their financials for SEC reporting by leveraging the custom dimension to help organize costs based on the requirements for the 10-K and 10-Q.

Consolidations and intercompany eliminations historically took two days to complete. The Financial Reporting team would load consolidated trial balances by region into Epicor (ERP System) to convert data into USD. Eliminations also required manual journals posted to an elimination entity in the ERP system. OneStream XF streamlined this process to minutes versus days through out-of-the-box functionality. Further, internal reporting for departmental spending used to take approximately one day to prepare and distribute. In OneStream report books were created and distributed in minutes. Overall, Dril-Quip was able to reduce its monthly close cycle by three days.

Budgeting and Forecasting

Dril-Quip was looking to roll out a company-wide, 18-month rolling driver-based forecast, where every quarter each departmental manager could enter their various global drivers to help pre-populate revenue, salary, depreciation and expenses. OneStream was able to provide a unified platform to help implement financial, sales, capital and people planning. Pre-populating the forecast for users provides more time for departments to analyze their data, make any necessary adjustments, and provide variance comments.

Revenue recognition is a large part of Dril-Quip's business. With OneStream Sales Planning, global regions are now able to analyze CRM and backlog data down to the customer level and address the new revenue recognition guidelines.

People Planning provided Dril-Quip an easy to use tool to manage headcount by entity and department. Having this solution in place provides regional managers a better solution for planning workforce costs in the future.

Dril-Quip's fixed asset management tool was inconsistent globally. By implementing capital planning in OneStream, it provided a more consistent way

“Dril-Quip’s new driver-based forecasting process within OneStream not only simplifies the workflow for each of our users by providing a guided step-by-step process, but it also enhances our users’ experience through the automation of processes that were previously manual in nature. As a result, Company management is able to make important operational and strategic decisions based on key trends identified by this higher quality forecast.”

Trevor Ashurst
Manager for Financial Planning &
Analysis and Investor Relations
Dril-Quip

for global regions to manage their fixed assets rather than in Excel in some cases. Additionally, Corporate is able to leverage OneStream Capital Planning to set global useful life drivers to ensure depreciation is consistently calculated in accordance with company policy.

The application leveraged Dril-Quip’s detailed security matrix by creating workflow profiles specifically for forecast data based on responsibility down to the cost center level, providing confidence to the users that their information was confidential and secured, especially for salary planning.

With the ability to combine actuals through the rolling forecast, reporting out of OneStream became seamless. Transparency and ownership of the data was key to Dril-Quip’s success.

On aggregation of the monthly forecasts alone, Dril-Quip saved sixty days annually through the implementation of OneStream planning solutions. Sales Planning utilized tools already in use by senior management and required users to annotate any deviations from CRM and backlog data thereby reducing follow up questions. Finally, the use of an 18-month rolling forecast enabled the company to move its annual budget process and Board of Directors approval into the 4th Quarter.

About OneStream Software

OneStream Software provides a revolutionary corporate performance management (CPM) solution that unifies and simplifies financial consolidation, planning, reporting, analytics, and financial data quality for sophisticated organizations. Deployed in the cloud or on-premise, OneStream XF is the first and only solution that delivers corporate standards and controls, with the flexibility for business units to report and plan at additional levels of detail without impacting corporate standards – all through a single application.

The OneStream XF MarketPlace features downloadable solutions that allow customers to easily extend the value of their CPM platform to quickly meet the changing needs of finance and operations. We are driven by our mission statement that every customer must be a reference and success.

For more information, visit OneStream Software <http://www.onestreamsoftware.com> or on Twitter [@OneStream_Soft](https://twitter.com/OneStream_Soft).

About HollandParker

HollandParker, OneStream Platinum Partner, is a unique blend of Accounting, CPA, and Industry professionals. Our experienced team of CPM business consultants has over 140 years of combined experience developing and optimizing business processes and implementing CPM software, both on the client-side and as consultant partners. Our consultants are talented and ambitious, they showcase their distinct and evolving skillset delivering on successful OneStream XF and Marketplace Solutions, helping companies streamline financial processes to support or transform the way they do business.

At HollandParker, we value the relationships with our clients and are proud to call most of them long-term partners. We have earned a solid reputation for delivering CPM solutions that yield results for our clients while requiring minimal changes to existing business processes. Our client list and a track record of successful implementations and of satisfied clients is available upon request. For more information visit HollandParker <http://hollandparker.com> or on Linked-In at <https://www.linkedin.com/company/holland-parker/>