

PROPHIX



*"PROPHIX does everything
we need for an
extremely reasonable price."*

For Great Lakes Energy Partners, PROPHIX stood out from other budgeting software alternatives because it is:

Affordable
yet fully featured and
value for money

**Easy
to implement**
with minor needs for
consulting assistance

**Easy
to manage**
by Finance staff with
minimal demands on
IT resources

The Oil and Gas Industry is typically associated with the Southwest, but Great Lakes Energy Partners produces oil and natural gas in Pennsylvania, Ohio and New York. Great Lakes is one of the largest independent producers in the Appalachian Basin, with interests in close to 8,000 properties. The company is co-owned by FirstEnergy Corp. of Akron, Ohio and Range Resources Corporation of Fort Worth, Texas, both NYSE companies. The company has grown rapidly through acquisitions and a very active drilling program.

Budgeting at Great Lakes involves planning for four subsidiary companies. These are broken into 116 cost centers, of which 60 represent oil and natural gas fields, with the remainder being primarily administrative departments. Before migrating its budgeting and financial reporting to PROPHIX, the company did all its planning with spreadsheets. "The budget was comprised of a 1½ inch stack of spreadsheet output" says Geoff Doke, Corporate Controller. "This type of budgeting was very inflexible when we were adding new cost centers or accounts."

"In just 4 weeks, we had a model in place that we could use in production."
- *Geoffrey Doke, Corporate Controller, Great Lakes Energy Partners, LLC*

"The time we spend on the annual budget has been reduced by 2/3."
- *Tom Stoelk, Senior Vice President of Finance and CFO, Great Lakes Energy Partners, LLC*

For financial reporting, actual data was entered manually while budget revisions were difficult because large numbers of formulas had to be individually edited.

Great Lakes evaluated many budgeting packages over a 4-year period. But the systems they looked at were far too expensive. Says Geoff, "Going out and spending over \$100,000 on budgeting software was a very difficult sell to upper management. We couldn't justify that kind of cost."

Eventually they attended a budgeting symposium. "The gathering gave us an opportunity to demo products from all the major vendors in the marketplace", says Tom Stoelk, Senior Vice President of Finance and CFO. We looked seriously at about 8 products – maybe 15 overall."

From this large selection, Great Lakes chose PROPHIX.

PROPHIX was implemented in just 4 weeks

Great Lakes had a professional services consultant from PROPHIX Software spend just 3 days on-site for initial training and implementation advice. But before this, they had already started using the software.

"The software is logical enough to use that we were able to do a lot of the front-end work before we took training", says Geoff. "PROPHIX is extremely user-friendly, so little IT involvement was necessary."

In just 4 weeks, PROPHIX was up and running as a multi-user planning and budgeting system. One major benefit was that monthly data from their Oil & Gas accounting system could be imported into PROPHIX in just 10 minutes from beginning to end. "I haven't seen a piece of software that is as easy to install and implement as PROPHIX", says Tom.

The next step was to gain end-user acceptance. It was very important to have users buy-in to the new planning process. With PROPHIX this happened quite naturally.

"I was really pleasantly surprised. PROPHIX has been very flexible and is very intuitive. Many of the screens look like spreadsheets, so training users is easy and they are comfortable with the product", adds Tom. "After we got it out there, many of our users realized the software's capabilities and started building a lot of reports. PROPHIX is fantastic in terms of ad hoc reporting."

Great Lakes' use of services from PROPHIX Software extended beyond their original implementation period. Included in the annual maintenance fee are software upgrades and unlimited customer support. They have been impressed with both.

"Professional services and customer support have been outstanding", says Tom. "Once we were up and using PROPHIX, customer support has been quick and painless. PROPHIX has really performed."

Great Lakes currently uses PROPHIX to prepare annual budgets, their 5-year plan and monthly re-forecasts. All this is done in a single business model by creating different plan versions. As Geoff says, "We are getting a lot out of PROPHIX."



For more information on PROPHIX, contact Susan Lawson:

Phone (905) 279-8711

Fax (905) 279-2232

e-mail slawson@PROPHIX.com

Or visit our website www.PROPHIX.com

The benefits of using PROPHIX

Perhaps the most important quantifiable benefit of moving to PROPHIX has been the time saved during annual budget preparation.

Tom explains, "The annual budget process took us 3 months with spreadsheets. Now it takes about 4 weeks. The time we spend on the annual budget has been reduced by 2/3."

Geoff adds, "Now we have time to do all the things we should have been doing before – a lot more analysis, finding ways to streamline the processes in our accounting department. And it gives us a chance to manage the business rather than do just data manipulation."

Using PROPHIX has also given Great Lakes qualitative benefits. Because the planning process is more flexible and accurate, everyone has a lot more confidence in it.

"The planning process now is a lot easier and we are more comfortable doing periodic re-forecasts", Tom explains. "People are starting to become more trustworthy of our planning process. We got a lot of credibility because of the accuracy and timeliness. People trust the system a lot more and it has expanded everyone's overall confidence in the budgeting process."

So far, the Finance department at Great Lakes has implemented a 5-year Income Statement, Balance Sheet and Cash Flow planning system. Their plans for the future use of PROPHIX include extending this to operational reporting and enhancements to its capital budgeting process.

BOTTOM LINE – BUSINESS BENEFITS

PROPHIX helps Great Lakes:

- ▶ produce an annual budget in 1/3 the time previously needed
- ▶ make changes to the structure of their business model quickly and easily
- ▶ produce plans with confidence that all formulas are being calculated accurately
- ▶ produce five year plans, annual budgets, and monthly re-forecasts
- ▶ spend less time manipulating data and more time managing and evaluating their operations
- ▶ import actual data from their Oil & Gas accounting system in 10 minutes
- ▶ provide users with a friendly planning environment in which they have confidence
- ▶ increase the credibility of the planning process inside the company