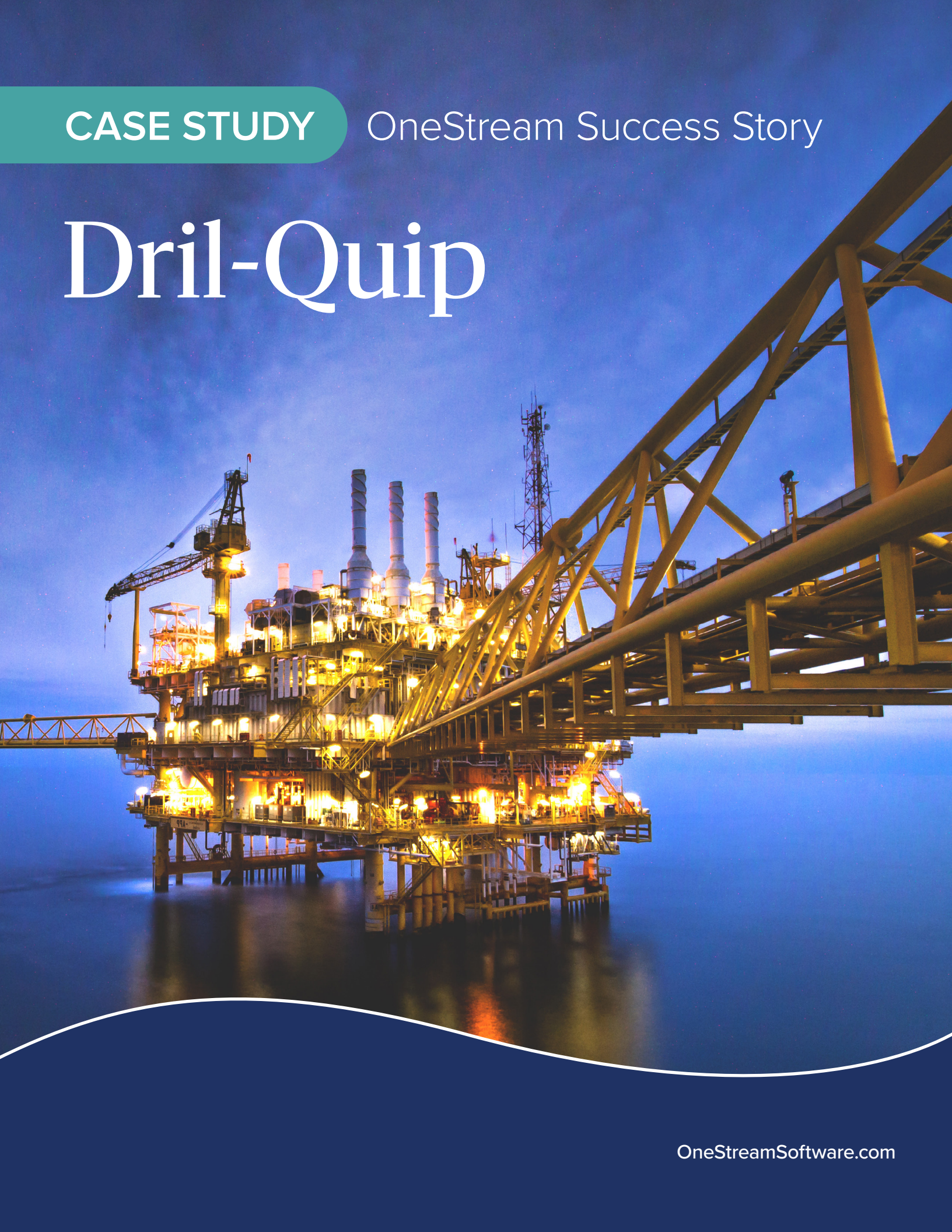


CASE STUDY

OneStream Success Story

Dril-Quip





Company:
Dril-Quip

Industry:
Manufacturer of Offshore
Drilling Equipment

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 Dril-Quip.com.

“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

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.



Corporate Performance Management Solutions Delivered

- ✓ Financial Consolidation and Reporting
- ✓ Planning, Budgeting and Forecasting
- ✓ Sales Planning
- ✓ People Planning
- ✓ Capital Planning
- ✓ Cloud Deployment



Business Challenges

- ✓ Needed to replace Excel® spreadsheets for consolidation, reporting and planning
- ✓ Inefficient, manual processes for data loading, integration and mapping
- ✓ Management was lacking transparency into global regions
- ✓ Limited visibility into how financial data was derived



Key OneStream Benefits

- ✓ Guided Workflow helps improve the quality of financial results
- ✓ Improved internal controls and better audit trails
- ✓ Enhanced visibility into driver-based revenue and expense forecasts
- ✓ Intercompany eliminations reduced from days to minutes
- ✓ Reduced monthly close cycle by three days
- ✓ 60 days saved annually in forecasting
- ✓ Moved to the cloud within hours

The OneStream Solution

Dril-Quip evaluated both OneStream 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 five-year total cost of ownership inclusive of consolidations, forecasting, account reconciliations, additional users, hardware, and upgrades for both applications was reviewed.

OneStream 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.

Dril-Quip Management placed more than 10 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.

Dril-Quip initially implemented OneStream to deliver multiple solutions to meet all their financial reporting and planning requirements in one application. This included financial consolidation and reporting, global rolling 18-month forecast, sales planning, people planning and capital planning.

Streamlining Financial Reporting

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

OneStream 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 streamlined this process to minutes versus days through out-of-the-box functionality.

Internal reporting for departmental spending used to take one day to prepare and distribute. In OneStream report books are created and distributed in minutes, enabling Dril-Quip 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, 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 for global regions to manage their fixed assets rather than in Excel in some cases. Additionally, Corporate is able 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. Transparency and ownership of the data was key to Dril-Quip's success.

On aggregation of monthly forecasts alone, Dril-Quip saved 60 days annually through the implementation of OneStream. Sales Planning tools are in use by senior management and require 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 market-leading intelligent finance platform that reduces the complexity of financial operations. OneStream unleashes the power of finance by unifying corporate performance management (CPM) processes such as planning, financial close & consolidation, reporting and analytics through a single, extensible solution. We empower the enterprise with financial and operational insights to support faster and more informed decision-making. All in a cloud platform designed to continually evolve and scale with your organization.

OneStream's Intelligent Finance platform can easily be extended with over 50 solutions from the OneStream MarketPlace. These downloadable solutions are fully battle-tested and optimized for the OneStream platform. They allow customers to easily extend the value of their investment to meet the changing needs of finance and operations.

OneStream Software

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