



HFS Hot Vendor: Quorum Software

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Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

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Shaping the modern energy workplace' is Quorum Software's call to action. Digital is an elemental aspect of the modern workplace in oil and gas. The industry is scrambling to grasp the advantages of digital technologies in the quest to redefine operating models. Cloud computing plays a fundamental role in moving away from legacy systems and processes and in incorporating innovative automation, artificial intelligence, connected devices, and advanced analytics into core industry processes.

Partnerships are tremendously important to this effort. Oil and gas players need credible partners to help them scale digital transformation efforts across the value chain. Maintaining domain expertise, creating industry-specific solutions targeting sticky industry challenges, and providing access to a broader ecosystem are essential tenets to these partnerships. Quorum Software is purely focused on oil and gas, which gives it the advantages of both a laser focus and DNA enriched with deep industry expertise.

Quorum is a rather compelling case of a transformation that many service providers are trying to emulate. In the last four years, since Silver Lake acquired Quorum in 2014, Quorum has shifted its revenue growth strategy from being services-dominant to being software-dominant. Quorum provides a good story of non-linear growth, implementing a new business model.

Platform

Quorum brings deep domain expertise to the industry via its my Quorum platform, which is a vertical ERP focused on oil and gas. Quorum offers platform-based solutions to different value chain segments of the industry. It offers a full enterprise-grade platform for the likes of the super majors. Its Upstream On Demand solution is for small and mid-cap independent producers and private equity-backed oil and gas players that have been around since the shale revolution and are now pursuing more operational efficiency and strictness.

Acquisitions

During the last nine months, Quorum ramped up acquisition activity with two very pointed acquisitions that extend capabilities and give it access to new market segments: WellEz, a well-lifecycle-analytics software provider; and Canada-based Entero, an upstream and midstream management software provider. Entero adds capabilities for reserves and economics, liquids logistics, and scheduling to the myQuorum platform. Previously in 2016, Quorum had acquired upstream BPO provider ePrime.

HFS' take

Quorum pivoted from being services dominant to being software dominant. It focuses on recurring, subscription-based revenue instead of consulting-based revenue. This is a pivot many services providers are looking to make in their quests for non-linear growth (i.e., revenue that is not related to FTEs), investing instead in platform plays.

Quorum is not a startup by any measure, but its energy-industry focus, platform-based services that tackle tough industry problems, dedication to innovation, value propositions that fit different players in the North American energy landscape, and recent transformation make it a Hot Vendor for HFS.

Vendor factsheet

- Founded in 1998
- Backed by private equity firm Silver Lake, which acquired Quorum in 2014 for \$310 million
- Headquartered in Houston, Texas (US)
- Further locations in Dallas and College Station (Texas, US), Tampa (Florida, US), and Calgary (Alberta, CA)
- 450 employees
- Key acquisitions in recent years: ePrime (March 2016), WellEz (September 2017), and Entero (April 2018)
- Key markets: United States and Canada
- Marquee customers: American Midstream, Anadarko, Chevron, DCP Midstream, Devon Energy, and Pembina
- Over 500 customers with 200+ upstream SaaS customers that use Quorum for well lifecycle, production, supervisory control and data acquisition (SCADA), and land management
- 80% of total gas processing plant output allocated and settled by Quorum Software
- 80,000 miles of interstate and intrastate gas pipeline in the US managed by Quorum software
- 75% of North American LNG exporters Quorum Software customers
- 80% of the largest oil and gas companies in the United States (16 of 20) depend on Quorum to manage their land assets
- 150,000 wells across the US use Quorum accounting software

Solution portfolio

Portfolio of finance, operations, and accounting software focused on core business challenges in oil and gas.

Platform

- myQuorum platform
- myQuorum Design Studio
- myQuorum Data Hub
- myQuorum AI

Products

The following products are part of the myQuorum platform

- **Upstream**
 - Land Management
 - Reserves & Economics
 - Revenue & Cost Accounting Well Lifecycle Reporting
 - Production Operations & Allocations
 - Energy Marketing
 - Financial Accounting

- **Midstream/Downstream (Gas, Crude, LNG, NGLs)**

- Gathering
- Plant Accounting
- Transportation & Storage
- Land (right-of-way)
- Supply & Distribution
- Energy Marketing
- Financial Accounting

Services

- Readiness
- Deployment
- Education
- Outsourcing

Industry coverage

Quorum is focused on core processes in the upstream, midstream, and downstream segments of the oil and gas value chain: exploration, development, production, processing, transportation and storage, and supply and distribution.

Quorum targets the following organizations in oil and gas:

- Super majors, independents, oil field services providers, EPC companies
- Small and midcap, start-up and private equity-backed oil and gas companies

Partnerships

- Formal partnerships with Microsoft, Esri, Whitlock, Exago, and Talend
- Quorum works on a project basis with several service providers, system integrators, and consultancies such as Accenture, PwC, EY, KPMG, Deloitte, and Stonebridge



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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