VENCER GROUP

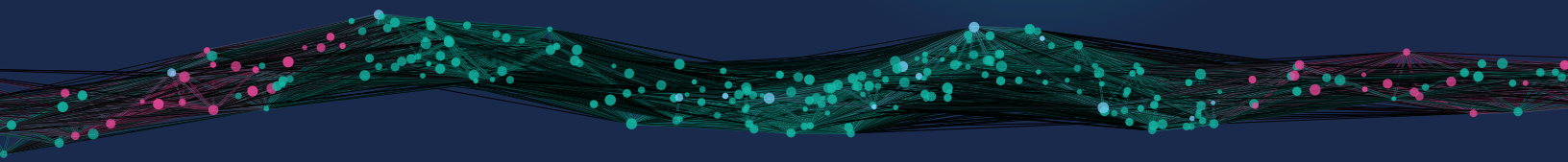
A FREE EDUCATION EBOOK

AN IT GUIDE FOR CANADIAN OIL & GAS OPERATORS

The Crude Truth

The six IT levers that actually move the needle at Canadian oil & gas operators, the growth walls where mid-market E&P companies break, and how to see them coming.

Bolted on. **Built in.**



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CHAPTER 00 · FOREWORD

Oil is at $107. Some of you will use it.

Oil at $107 is not a golden age. **It's a stress test.** Some of you will use it to build the operational discipline that survives the next $67. Most will not. This ebook is about the difference.

Twenty-five years running IT for Canadian oil and gas operators, two cycle turns weathered. The pattern is boring, predictable, and consistent. In every up-cycle, mid-market operators spend on growth. In every down-cycle, they cut what they don't understand. IT is usually what they don't understand.

The companies still standing in 2030 will not be the ones that spent the most in 2026. **They will be the ones who used the up-cycle to build IT that compounds.** Six levers, four growth walls, three postures. This book is the field version.

> **THE PREMISE**
>
> This is not written for supermajors. This is written for the 10-to-200 person operator with real production, real payroll, real pressure to compound through a cycle. **If that's you, the next thirteen chapters are for you.**

CHAPTER 01 · THREE COMPANIES

Three companies. Three growth arcs.

Three companies, roughly the same size, roughly the same acreage, roughly the same year. **One thing separated them. The IT decisions they made in the up-cycle.**

COMPANY A Compounded through two cycles

Started at 45 people in 2018. Built centralized production data early. Chose a single ERP and stuck with it. Invested in IT ops through the 2020 downturn. **Sold in 2024 at 6.2x EBITDA. Buyer's diligence took eleven days.**

COMPANY B Grew fast, stalled at 120

Same starting point. Grew to 120 by 2022 through acquisitions. Every acquired company kept its own IT stack. **Now runs seven ERPs, three accounting systems, and eleven SharePoint tenants. Growth stopped because IT can't scale.**

COMPANY C Cut IT in the downturn

Same starting point. Cut IT budget by 60% in 2020. Fired the internal IT person. Ran on the cheapest MSP available. **Cyber incident in 2023 cost eight months of production data. Insurance renewal doubled. Still there, but nobody's buying.**

THE PATTERN

The differences are not about spend levels. They are about **which IT decisions were made at each cycle inflection point.** The rest of this book is about making those decisions well.

CHAPTER 02 · WHY PROJECTS FAIL

Why oil & gas IT projects fail.

In June 2022, McKinsey published the most-quoted statistic in oil and gas IT: **70% of digital transformation projects in the sector fail to deliver expected value.** The standard interpretation is "the industry is behind." The actual reason is different.

Three reasons projects actually fail.

01 **The vendor sold you a corporate solution for an operator problem.** Most oil & gas software is designed for supermajors with dedicated IT teams. Deployed at 60 people without that support, it becomes shelfware within eighteen months.

02 **The project scope grew but the operational discipline didn't.** New systems require documented processes, trained users, and a governance cadence. Most operators skip those, deploy the tool, and wonder why nobody uses it.

03 **The IT stack outgrew the operational model.** Systems designed to run 10 people break at 40. Systems designed for 40 break at 120. The re-platform is always painful, so most companies delay it until the crisis forces it.

> **THE COUNTER-MOVE**
>
> Pick tools that match your operational scale. Match new capability with new discipline. Re-platform on schedule, not on crisis. **The rest of this book is the how.**

CHAPTER 03 · COMMODITY CURVE

The commodity curve eats small companies first.

Supermajors have global scale, geographic diversity, refining spreads, downstream margins, and treasury operations that absorb shocks. **The 10-to-200 person operator has none of those buffers.** The cycle hits harder, faster, and with fewer places to hide.

Why the small companies absorb the shock.

- **Single-basin exposure.** If your production is 100% Montney, or 100% Bakken, every basis differential and every regulatory shift lands directly on your P&L.
- **Debt maturity walls.** Fewer refinancing options. Term loans and RBLs mature on schedules that don't care about oil prices. The bank always wants covenants met.
- **No downstream margin.** Supermajors profit from refining spreads when crude prices fall. You don't. Every dollar of price decline is a dollar of margin gone.
- **Fixed IT costs, variable revenue.** Your IT stack costs roughly the same at $107 and $67 oil. Revenue does not. Ratios matter, and they get ugly fast.

> **THE COUNTER-MOVE**
>
> Build an IT stack that scales down cost as revenue scales down, without cutting foundational controls. **The six levers in Chapter 04 are how.**

CHAPTER 04 · THE SIX LEVERS

The six IT levers that move the needle.

Most IT vendor literature in oil and gas describes hundreds of capabilities. **Twenty-five years of field work suggests six actually move the needle for mid-market operators.** Everything else is optimization at the margin.

LEVER 01 Production data integrity

One authoritative source for volumes, allocations, and downtime. Reconciled daily. **If your engineers, accountants, and reserves auditors are looking at different numbers, everything downstream is contaminated.**

LEVER 02 Financial close discipline

Month-end close in 10 business days or fewer. JIB aging under 5%. Automated reconciliations with production data. **Slow close means late decisions; late decisions in this cycle cost real money.**

LEVER 03 M&A-ready data room

Diligence-ready: production data, financial records, land, HSE, IT posture. Refreshed quarterly. **The deal moves fast when the data room is ready. It falls apart when it's not.**

LEVER 04 Cyber posture, insurance-defensible

The twelve controls (see companion ebook), evidenced, tested. **Insurance renewals hold or they don't; buyers do diligence or they don't. Cyber posture decides both.**

LEVER 05 OT/IT segmentation done right

SCADA and historians isolated. Vendor access through a jump server with recorded sessions. **The IT-to-OT bridge is where most existential incidents happen. Get it right or pay for it later.**

LEVER 06 Right-sized engagement model

Internal, fully managed, or co-managed. **Match the engagement model to your scale and posture, not to what's cheapest.** The wrong model costs more than the difference in fees.

CHAPTER 05 · GROWTH ENGINE

The Growth Engine, cycle as your moat.

Conventional advice: build during up-cycle, hunker during down-cycle. **Companies that compound do the opposite in one specific dimension: they build IT discipline in the down-cycle when their peers are cutting it.**

When oil prices are high, everyone has budget. Everyone hires. Everyone buys tools. The competitive moat you build in the up-cycle is small because everyone is building.

When oil prices are low, everyone cuts. Some cut smart, most cut what they don't understand. **The company that maintains IT discipline through the down-cycle emerges with a moat because competitors just gave theirs up.**

The three moves that compound.

- **Standardize during the up-cycle:** Pick one ERP, one accounting system, one production data platform. Migrate stragglers when budget exists. Don't do it in the down.
- **Automate during the up-cycle:** Manual processes that "work fine" at $107 become expensive constraints at $67. Automate before you need to.
- **Maintain the foundational controls during the down-cycle:** Identity, MFA, EDR, immutable backups, monitoring. **These cost the same at every oil price. They become priceless during a security incident.**

> **THE GROWTH ENGINE**
>
> The cycle stops being a threat and starts being a competitive weapon. **Companies with disciplined IT eat market share from peers who cut too deep in the down.**

CHAPTER 06 · GROWTH WALLS

The growth walls, where mid-market breaks.

Growth walls are the specific size-and-scale inflection points where mid-market operators break if their IT stack hasn't been prepared. **Every wall is predictable. Most operators hit them unprepared anyway.**

WALL 01 When spreadsheets stop working (~30 people)

Excel-based production, allocations, and financial models start producing conflicting numbers. **The move: real accounting system, real production data platform. Do it before wall 2 hits.**

WALL 02 When one-IT-person breaks (~60 people)

Your one internal IT person can't cover 24/7, can't build strategy, can't run cybersecurity at insurance-defensible level. **The move: co-managed model with an MSP layered on top of your internal lead.**

WALL 03 When the ERP breaks (~90 people)

Small-company ERP can't handle multi-entity, multi-currency, or multi-basin operations. **The move: mid-market ERP re-platform, scheduled, budgeted, and communicated. Do not delay this into a merger.**

WALL 04 When acquisitions break IT (~120+ people, after M&A)

Each acquired company brought its own IT stack. Now you have five ERPs, three payroll systems, seven Microsoft 365 tenants. **The move: integration playbook, executed pre-close, funded from deal economics.**

THE PATTERN

Every wall is predictable at least 12 months out. **Companies that plan for the next wall while inside the current one keep compounding.** The rest stall.

CHAPTER 07 · ENGAGEMENT MODEL

Choosing the right engagement model.

Mid-market oil and gas operators have three structural options for IT. **Choose the one that matches your scale and cycle posture, not the one that's cheapest.**

MODEL A Fully Internal (10-40 people)

One IT person, tools bought retail. **Works at small scale. Breaks at wall 02.** Realistic budget: $8-15K/person/year. Risk: no 24/7, no security depth, no strategic capacity.

MODEL B Fully Managed / Keystone (40-200 people)

External MSP runs everything: end-user support, cyber, backup, projects, vCIO. **Best-fit for operators without an existing IT function.** Realistic budget: $200-340/user/month all-in.

MODEL C Co-Managed (60-200 people with internal IT)

External MSP layered on top of your internal IT lead. MSP owns cyber, 24/7, and depth; internal IT owns relationships and execution. **Best-fit for operators with a capable IT lead who needs augmentation.**

THE DISQUALIFYING SIGNAL

If your engagement model can't answer "who owns cyber at 2am?" cleanly, the model is wrong. **Fix that before optimizing anything else.**

CHAPTER 08 · SERVICE COMPANY

The service company twist.

Everything so far applies most directly to production companies. Service companies operate differently, and their IT priorities need to reflect that. **Three things make service company IT distinct.**

DIFFERENCE 01

Bid-to-deliver, not produce-to-sell

Operators earn on production. Service companies earn on bid win rate and margin. **IT priorities: pipeline management, job costing accuracy, and quote-to-cash discipline matter more than production data integrity.**

DIFFERENCE 02

Field-first workforce

Rig crews, field techs, mobile fleets. IT must support field-connectivity, field-safety reporting, and field-hours tracking, not just office users. **MDM, ruggedized devices, and offline-capable apps are foundational, not optional.**

DIFFERENCE 03

Client-facing cyber posture

Your operator clients will demand your cyber posture as part of their vendor management (see Cyber Insurance chapter of the companion ebook). **Weak posture costs you contracts, not just insurance premiums.**

THE SERVICE COMPANY SHIFT

If you're a service company, the six levers still apply, but the priority order is different. **Bid discipline, field-first design, and client-audit-ready cyber lead. Production data integrity moves down the list.**

CHAPTER 09 · M&A

M&A, buying well, selling well.

If you are 25 to 200 people in oil and gas with bigger plans, you are in the M&A funnel whether or not you know it. **2024 was a record year for US oil and gas M&A. The IT decisions that prepare you to be the acquirer are roughly the same as the ones that prepare you to be sold.**

Buy-side: what makes you a good acquirer.

- **Integration capacity.** Can your ERP absorb a 30-person target's chart of accounts in 60 days? Can your production data platform absorb their volumes in 90?
- **Cyber attestation for the target.** The first thing a buyer's cyber diligence finds is white-label MSP or missing MFA. Both are dealbreakers now.
- **Day-1 workstream.** Written integration playbook, funded from deal economics, with a named owner. **Not something to figure out after close.**

Sell-side: what makes you a good target.

- **Refreshed data room.** Production data, financial records, land, HSE, IT posture. Refreshed quarterly, not built in a scramble.
- **Clean cyber posture.** The twelve controls, evidenced. Buyers pay less for cyber-fragile targets. Some walk away.
- **Retention-ready IT.** Documented processes, cross-training, no bus-factor-one dependencies. Buyers optimize for continuity through close.

> **THE COMPOUNDING TRUTH**
>
> **The IT posture that makes you a good buyer is the same one that makes you a good seller.** Build it now, either way.

CHAPTER 10 · CYBER TARGET

Cyber, mid-market is the target.

Every executive in oil and gas remembers Colonial Pipeline. May 7, 2021. What most missed: **the same threat actors have been steadily working down-market. By 2024-25, mid-market operators are the primary target.**

In August 2024, Halliburton was hit by ransomware and forced to disclose to the SEC. In 2025, Zscaler reported **935% year-over-year growth in ransomware attacks on oil and gas**. The attack distribution was not concentrated at supermajors. It was distributed across the entire sector, with mid-market specifically targeted.

Why mid-market attracted the attention.

- **Meaningful revenue, meaningful production data, meaningful regulatory consequences** if disrupted — but usually without Fortune 500 security budgets or 24/7 SOC coverage.
- **IT-to-OT bridge often less segmented** than in supermajors. A successful IT intrusion reaches SCADA and historians in hours, not days.
- **Mid-market cyber insurance payouts are predictable**, traceable, and profitable for ransomware groups. Supermajors fight harder. Mid-market pays faster.

> **WHERE TO GO NEXT**
>
> The full cybersecurity playbook is our companion ebook — *The Twelve Controls*: the twelve cybersecurity controls Canadian carriers now require for 2026 renewals, named, scoped, and evidenced. **If cyber is your priority, start there.**

CHAPTER 11 · MEASURING IT

Measuring IT in a cyclical business.

Your IT vendor will tell you to measure adoption rates, license utilization, and ticket close times. **In a cyclical business, those metrics don't tell you what you need to know.** Six metrics do — three for operators, three for service companies.

Three metrics for operators.

- **Days-to-monthly-close.** Target: 10 business days. Above 15 is a signal that data integrity or process discipline is breaking down.
- **Production data reconciliation delta.** The variance between engineers' volumes and accounting's volumes. Target: under 1%. Above 3% cascades into JIB disputes, reserves reports, and diligence findings.
- **Cyber posture composite score.** Weighted score across the twelve controls. Track quarterly. **Report to the board.**

Three metrics for service companies.

- **Bid-to-invoice cycle time.** Target: under 45 days. Longer means quote-to-cash discipline is broken.
- **Field time capture rate.** Target: 95%+ of billable field hours captured within 48 hours. Below that leaks margin every quarter.
- **Cyber attestation currency.** Percent of your operator clients whose cyber attestation you have current. Target: 100%.

> **THE BOARD CONVERSATION**
>
> One page, quarterly. Trend line for each metric, top-three drift items, remediation status. **The board wants to know whether the numbers are going up or down.**

CHAPTER 12 · 90-DAY PLAN

The 90-day plan, three postures.

The most useful 90-day IT plan depends on where you are in the cycle and what posture you are operating from. **Three postures, three plans. Pick the one that describes your situation honestly.**

POSTURE A Building to acquire (days 1-90)

Weeks 1-2: Audit integration capacity. Weeks 3-6: Standardize ERP, financial close, cyber posture. Weeks 7-12: Draft acquisition IT playbook. **The next deal moves fast.**

POSTURE B Preparing to sell (days 1-90)

Weeks 1-2: Data-room gap analysis. Weeks 3-6: Cyber posture to insurance-defensible. Weeks 7-12: Documentation, retention plans, bus-factor-one mitigation. **Buyers pay for continuity through close.**

POSTURE C Compounding through the cycle (days 1-90)

Weeks 1-2: Six-lever posture assessment. Weeks 3-6: Cyber foundation. Weeks 7-12: Financial close discipline, production data integrity. **The moat you build in the down cycle is the one competitors can't match in the up.**

THE CYCLE QUESTION

The cyber, financial, and operational program you have at $107 oil is the one you'll be defending at $67 oil. Down-cycle cuts to foundational controls show up in insurance renewals and M&A diligence within eighteen months. **Foundational controls do not get cut. Ever.**

CHAPTER ∞ · IN CLOSING

The companies still standing in 2030.

Twenty-five years in this work, two cycles weathered, and the pattern is familiar enough that it borders on boring. **This is not a story about technology. It is a story about discipline.**

What the survivors have in common.

- **They treated IT as an operational discipline, not a vendor category.** Board-level accountability. Quarterly cadence. Documented artifacts. Not a project, a habit.
- **They picked the right engagement model for their stage.** Internal at 15, co-managed at 60, integrated MSP at 120. Match the model to the wall you're facing.
- **They built the six levers in the right order.** Production data integrity first. Financial close second. Cyber posture always. Engagement model tuned to scale.
- **They evidenced everything.** Every close, every reconciliation, every cyber control, every tabletop. Insurance-defensible on renewal day, diligence-ready on deal day.

> **THE ONE THING TO TAKE FROM THIS BOOK**
>
> **The cycle rewards the disciplined and punishes the improvised.** The companies still standing in 2030 are the ones who used 2026 to build the operational discipline that survives $67 oil. The rest are already gone; they just don't know it yet.

> **ONE CHOICE**
>
> Two cycles behind us. One in front. **Build the program that survives contact. Or pay for the one you didn't build. The math is settled.**

ABOUT VENCER GROUP

Bolted on.
Built in.

Your IT team, wherever your business operates.

We're builders and operators. **Calgary-rooted. Canadian-reaching. Internationally capable.** With multiple engagement models, 24/7 locally staffed NOC/SOC protection, and field-specific support options.

Founded 2006. Nineteen years operating IT for founders, boards, and operators. Zero client breaches in eleven years. Active client work on four continents right now.

Vencer was built from decades of experience across mergers, divestitures, technology transitions, and daily operations. Every scaling moment, every M&A close, every inflection point, encoded into how we build and how we show up.

19	11	4	24/7
YEARS OPTIMIZING IT	YEARS WITHOUT A BREACH	CONTINENTS DELIVERED	SUPPORT AND MONITORING

Let's talk. One conversation. No pitch.

Thirty minutes. Coffee, Zoom, or however works.

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NOTES, METHODOLOGY & LEGAL

How this ebook was compiled.

CYBERSECURITY DATA AND BENCHMARKS

Threat statistics cited in *The Twelve Controls* are drawn from public reports: Zscaler ThreatLabz 2025 annual report; Canadian Centre for Cyber Security 2025-2026 National Cyber Threat Assessment; Honeywell industrial cyber quarterly data 2024-2025; Claroty operational technology monitoring dashboards. Insurance underwriter requirements reflect published carrier guidance in the Canadian mid-market energy market as of 2026.

OPERATIONAL PATTERNS AND FINANCIAL RANGES

Ranges cited for MSP pricing, engagement models, close cycles, and posture composite scores are drawn from Vencer Group's field engagements across 19 years of Canadian mid-market IT operations, over 30 M&A transactions, and cyber engagements with operators in the 10-to-200 person range. Where relevant, we've cross-referenced against published Service Leadership managed IT benchmarks.

THE SIX LEVERS, FOUR WALLS, THREE POSTURES

The frameworks introduced in *The Crude Truth* are Vencer's, developed through two cycles of field work with Canadian oil and gas operators. They are field observations, not academic constructs. Match them to your situation; they are calibration tools, not prescriptions. The 90-day plans have been executed with real operators; specifics vary by starting posture and organizational context.

ATTRIBUTIONS AND UPDATES

Halliburton, Colonial Pipeline, and RECOPE incidents cited are public reporting. Zscaler predictions for 2026 AI-augmented attacks reflect published forecasts. Cyber insurance market observations reflect Vencer's engagements with Canadian carriers and brokers as of Q2 2026. Content may be updated as market conditions change; consult vencergroup.com/insights for the most current version.

WHERE OUR LAWYERS SMILE

This ebook is a foundational reference. It is educational, not prescriptive. Nothing here constitutes legal, financial, procurement, or IT advice for your specific organization. Where the content cites benchmarks, ranges, or industry patterns, those reflect general market observations at the time of publication and are subject to change. Consult your own advisors and match the frameworks to your situation. Vencer Group is available to help translate the general into the specific under a scoped engagement.

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