



Driving Results Through Action Teams: An Oil & Gas Field Services Case Study

May 2020





About Kelmic

Kelmic Consulting helps organizations capture opportunities and dramatically improve their operations.

Helping our clients improve their operations since 2002

We partner with our clients to drive bottom-line impact by addressing and dramatically improving efficiencies in People, Processes, and Property. Our exceptional people draw upon more than 100 years of combined experience to bring you the right perspectives and expertise to help you tackle complex challenges and realize your strategic ambitions.



Background

About the Client

- Leading International service contractor of oil fields
- 5,000 employees around the world
- \$1 billion revenue annually
- 340 wells in service

“The organization did not have the proper key performance indicators to run the business.”

This International service contractor to the oil fields was facing many challenges with respect to operational performance.

Through an assessment conducted throughout the three divisions, there were several issues identified that were inhibiting optimal performance of the business. Some of these issues were being addressed at a slow pace and others were not being addressed.

The organization did not have the proper key performance indicators to run the business. Senior executives were focused on financials which were lagging indicators. The business had very few management tools to base proactive decisions on, throughout the month making it difficult to measure the financial impact of these decisions.

In addition, each division had their own IT platforms which made it difficult to retrieve and manage data at the organizational level.

As part of their business, the organization constructs rigs for major operators and it was typical that rigs were not being completed and delivered on time, or on budget.

Although this is an international business, their procurement practices were not. Each division used their own vendors and buying power was not being leveraged effectively.

Sales were decreasing and the sales team was inexperienced and often lacked marketing collateral to show their value proposition to prospective clients. Managers did not have the tools to hold their people accountable.

To acquire new business from major operators, the company was required to provide maintenance records for their rigs. However, no preventive maintenance system was in place to provide those records leading to high opportunity costs as a result of lost business opportunities.

Action teams were created to address these challenges. The teams were cross functional and cross divisional to break down silos and allow for objectivity.

The teams would meet weekly as part of their regular work week. In addition, the team-leads would meet with a steering committee weekly. The purpose of the steering committee was to eliminate obstacles to the progress of the teams.

Implemented Solution

The action teams worked on the real-life issues which were affecting the organization's performance. Six teams were created focused on:

- Key Performance Indicators
- Systems Requirements
- Rig Construction
- Global Procurement
- Sales Effectiveness
- PM/Asset Management

The teams provided a structure and a process for solving problems. Due to team members time and availability constraints, teams would delegate to others outside the core members to accomplish the tasks required, building their leadership strength. The teams reached out to key stakeholders for feedback on specific issues.

The teams developed charters, analyzed the current status to develop findings and designed compelling business cases for changes that were presented to senior management for approval and go-ahead.

Key Performance Indicators were identified to manage the business on a day-to-day basis and drive results.

System requirements were identified to meet the needs of the organization and a plan was developed to consolidate various systems.

The rig construction team streamlined their process from sales to construction to reduce changes and rework.

Global procurement reduced the number of vendors and developed a vendor selection process going forward and contracts were reviewed to leverage the company's buying power.

The sales organization focused on training people to sell product value and target major accounts. While training was conducted, operations implemented a PM system.

“The teams provided a robust structure and a process for solving problems.”



Key Results Achieved

- A robust structure and process to problem solving
- Reduction of silos between divisions and functions
- Leadership skill building
- Ability of team-leads to formulate and present a compelling business case
- Improved time management and delegation of tasks

Improved

Problem solving
process

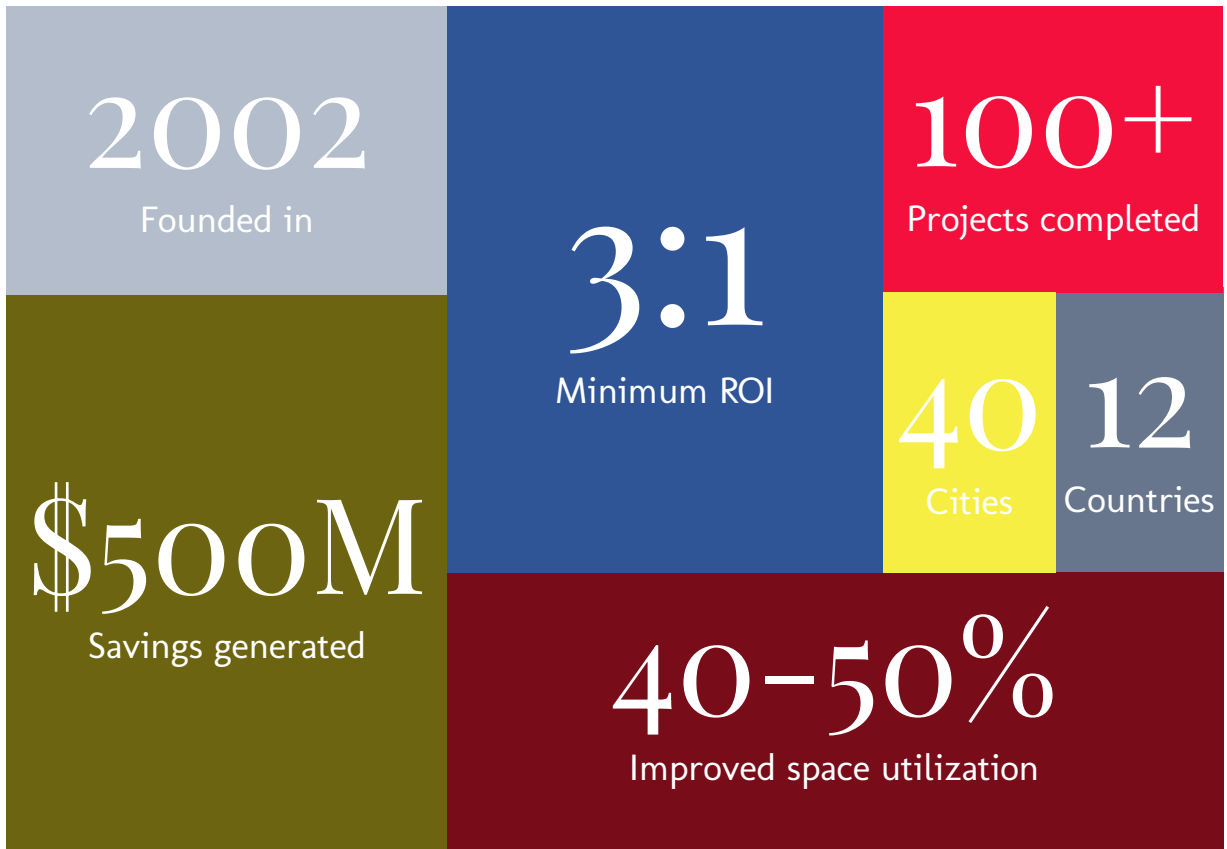
Improved

Cross functional
communication

Enhanced

Business outcomes

Kelmic at a Glance





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