

Collaboration is more than just a word

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The recent Offshore Europe exhibition and conference held in Aberdeen once again provided an excellent platform to debate some of the critical issues affecting our industry at the moment – and key among those was the need for greater collaboration in the North Sea.

Two years ago, few people in the oil and gas sector had cause to mention collaboration. Since then, Sir Ian Wood's Maximising Economic Recovery Review, which made a clear call for greater collaboration between the industry, the UK Treasury and the new Oil and Gas Authority, has elevated it to buzzword status in certain quarters.

Yet, while the need to collaborate was discussed at length in various gatherings at Offshore Europe; post event, the overriding concern was that while progress was being made in the UK, it wasn't happening quickly enough.

This conclusion was enforced by a survey published by Deloitte just three weeks after Offshore Europe, indicating that a lack of effective supply chain collaboration meant companies were missing out on maximising potential value from the UK Continental Shelf.

A report on the survey, which was conducted among 61 operators and oilfield service companies, revealed that while 74 per cent of respondents believed collaboration was an integral part of their day to day business, only 27 per cent of them said their efforts had resulted in a successful outcome. Furthermore, only one in five said they actively sought out opportunities to collaborate.

These findings echoed comments I heard at Offshore Europe in my role as technical co-chair of Developing Talent to Meet Demand. One person, experienced in many sectors but relatively new to oil and gas, said they had never come across an industry less willing to share information than ours.

Despite the clear warnings for the North Sea from Sir Ian Wood, Oil & Gas UK and others, the industry seems reluctant to widely embrace collaboration. Why is this so?

From an operator's perspective, the motivation to collaborate, beyond an altruistic wish for

the greater good of the North Sea, may be difficult to find.

They may feel that many of their business best practices, technologies and procedures, which they have taken time, effort and money to develop, and create true cost reduction in a market that is highly sensitive to price, are the very items that give them a competitive advantage and may therefore feel reluctant to share.

Inherent in our industry is a desire for companies to outperform each other, not least in terms of the financial returns generated. When operators are weighing up the pros and cons of investment in the North Sea against potentially more attractive propositions elsewhere, how can we convince them that our region needs companies that will work together for the benefit of all?

The culture of competition also pervades the service sector, where some of the smaller providers may fear being outflanked by larger rivals. However, dialogue between operators and service companies needs to improve, and increased standardisation is recognised as one way that the service sector can make itself more cost efficient.

From the Treasury, an indexed-linked tax system, reacting to the actual state of oil and gas industry, would help avoid the current lag between the North Sea's fortunes and the demands of the public purse.

For Expro, common sense collaboration has been a principle we have upheld for some time, particularly in working with other service providers through the delivery of multi service crews which can help optimise our footprint offshore.

There are many agencies working extremely hard to bring about the changes that we need to see in the UKCS. With the shadow of decommissioning growing ever longer on our sunset sector, we must help them action these changes quickly to ensure our survival.

Time is already against us, let's not be against ourselves any longer.