

SPEEDING UP ENERGY PROJECTS

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At the recent Petroleum Leadership and Outlook Conference sponsored by the Society of Petroleum Engineers (SPE), it became very clear that it will take a dramatic increase in “infrastructure” to deliver the energy needs of the global economy.

James Wicklund, Managing Director, Investment Research, at Dain Rauscher Wessels, called it the “infrastructure crisis”. There is not just enough exploration and production (E&P) infrastructure to meet the current needs of multiple energy-based industries. For example, the E&P industry would have to increase their spending by 30% to \$5 to \$6 Trillion, to meet a goal of 400,000 megawatts of power by 2010.

Additionally, he indicated that Wall Street does not reward oil companies for increasing profitability but for increasing assets and production. The only way the energy industry can continue to grow shareholder value is to focus on infrastructure projects that add production assets to their inventory.

So, what is stopping energy companies from adding infrastructure? The simple answer lies in capacity limitations. “We do not have a technical talent pool,” seemed to be the chorus at the conference, until one enlightened chief executive, John Gibson, CEO of Landmark Graphics, broke away from the “throw bodies at the problem” mode. One of his major recommendations was to focus on increasing productivity of existing capacity in the industry. “It’s all about faster and better decisions,” he added.

However, Oil and Gas projects depend on a loose coalition of many global players, working in real-time, in close coordination, creating a virtual **Project Enterprise**. This temporary economic, business entity requires a unique **Project Enterprise Management Solution (PEMS)** to improve productivity and decision-making.

The Project Enterprise Management Solution

A few innovative, Fortune 100, US and European E&P firms, and a \$1.5 Billion software company have embarked on initiatives to speed up projects using PEMS.

PointCross’ solution Orchestra™ provides all individuals, at all layers, in all participating organizations, real-time access to all relevant project information and contextual knowledge, during the duration of their participation in a project.

When individuals at all layers of all organizations have all the relevant contextual knowledge, information, and data at their fingertips, better decisions are made faster, and projects can be delivered faster, under budget, without compromising on quality.

Orchestra™ incorporates many important features to manage the project enterprise for quality, time and costs. Foremost is a “project bus” that carries not only all data and information but also contextual knowledge to all participants, on a need to know basis, for faster and better decisions.

Additionally, to assure quality projects, Orchestra™ helps to clearly outline all project objectives, not just engineering but also health, safety and environment, contractual, legal, and financial, in detail, and to continually map people, and participating organizations to these objectives. This significantly improves the quality and speed of project owners’ communications and interactions with contractors. Similarly, contractors benefit by a deeper understanding of owners’ requirements and scope changes, and quickly develop economically sound, responsive solutions.

Integrated in Orchestra™ is also a suite of project applications such as resource estimation, specifications and data, risk management, issues management, communications, and document management, for effective, real-time contextual communications and decisive work processes.

A small example of how Orchestra™ tackles daily inefficiencies in project execution is the manner in which it addresses email communications. The sheer volume of peer-to-peer email communications has now become a hindrance to fast execution of projects. The joke of the day going around the office has the same priority as an email that says that a \$68 million project is at risk.

To make Internet communications event-driven, and to be an integral part of real-time work processes, Orchestra™ integrates a 'smart' email and conferencing system. It sorts and files emails to the appropriate project context detail, whether an objective, requirement or a response. This eliminates email clutter, and the drudgery of sorting by priorities, and filing them for future retrieval and use.

Besides delivering "faster, better, cheaper" projects, Orchestra™ creates an invaluable knowledge warehouse during the project execution process, which can be reused in future projects, and during production operations, for the lifetime of a project- again, reducing cycle time and costs.

Pradeep Anand is a co-founder, and President/COO of PointCross, Inc. He has 20 years of experience in the energy industry. Previously, he served as Vice President at Landmark Graphics, North American Operations Manager at a division of Baker Hughes, and Manager of Business Development at Sperry-Sun Drilling Services.