

PRESS RELEASE

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Oil and gas industry has ‘cleared the first hurdle’ in collaboration drive, survey shows

- *98% of oil and gas companies recognise that collaboration is crucial to future success*
- *9 out of 10 agree that collaboration is an integral part of day to day business*

The oil and gas industry has ‘cleared the first hurdle’ in its drive for better collaboration but there is still more work to be done, according to a new survey by Oil & Gas UK and Deloitte.

The ‘UKCS upstream supply chain collaboration survey’ asked British and Dutch operators and suppliers about their experiences working alongside other companies operating in the North Sea.

In a signal that the objectives of the UK Government’s Maximising Economic Recovery (MER) strategy are starting to be met, nearly nine out of ten (86%) of respondents said that they see collaboration as an integral part of their everyday business – a 12 per cent increase on the previous year. Nearly all (98%) see collaboration as ‘crucial’ to their future success.

In addition, the survey found:

- Both operators and suppliers reported higher levels of successful collaborations than the previous year: 40% of respondents were satisfied with the quality of collaboration compared with 27% last year.
- Cost reduction remains the main reason for collaboration: 32% stated that they collaborated to reduce costs
- Collaboration between Dutch operators and suppliers is focused on optimising capabilities (29%), whereas in the UKCS operators collaborate to reduce costs (36%).
- The collaboration Index score has improved from 6.1 out of a possible 10 in 2015 to 6.6 in 2016. This shows the efforts invested both by the operators and the suppliers to strengthen relationships.

Stephen Marcos Jones, director of business excellence at Oil & Gas UK said: “Whilst it’s encouraging to see that the industry is now really on board with the importance of collaboration, we have just cleared the first hurdle and there is much more work for us to do.

“To see truly sustainable change, we need to look beyond collaboration to cut costs towards projects driven by innovation, knowledge sharing, and a desire to work smarter and more efficiently.

“Oil & Gas UK’s Efficiency Task Force will continue to support industry collaboration through initiatives such as the Subsea Technology Project to standardise specifications and the development of the Tendering Efficiency Framework to simplify and reduce duplication in the procurement process. The task force also promotes the use of change enablers such as the Industry Behaviour Charter, the Rapid Efficiency Exchange to share case studies and challenges, as well as the continuous improvement network. Our hope is that future surveys will show further improvements across the

sector as a result of these collective efforts.”

Bevan Whitehead, Oil & Gas Leader at Deloitte said: “The results of our latest survey suggest that the industry has taken a considerable step forward toward improving supply chain collaboration in the past 12 months. A huge opportunity for real transformation remains, if companies can take the next step and embrace radical changes in how they work together to build efficient, sustainable and long-term businesses in the UKCS.

“There are many examples of successful collaboration in the UKCS and the Netherlands from which to build. With a world-class supplier base in place, the change the industry needs depends on strong leadership and a willingness to take action.”

The survey is the third in a series of surveys carried out by Deloitte to gauge the effectiveness of industry efforts, supported by Oil & Gas UK’s Efficiency Task Force (ETF), to improve cross-industry collaboration.

Last year the Efficiency Task Force released the Industry Behaviours Charter to encourage a collective commitment from the offshore oil and gas industry to work more efficiently and co-operatively.

Notes

- In total 107 people from across the oil and gas industry responded to the survey, providing 464 pieces of individual feedback – four times the amount of data than the previous survey.
- 40 per cent of respondents came from operators, whilst 60 per cent came from suppliers, and there was an even split in responses across functions, with non-management engaging with the survey at the same rate as management.
- The results of the survey, with Deloitte analysis, can be downloaded from 00:01 Tuesday 6th December [here](#)
- Three videos explaining the findings of the report will be available from 00:01 Tuesday 6th December
 - The Role of Leadership - https://youtu.be/EwmDnp_h9fk
 - The time for Radical change is here - <https://youtu.be/TEGW7LTAJGo>
 - A step in the right direction - <https://youtu.be/4KJxMbrakWw>
- Information on the Efficiency Task Force can be found at www.oilandgasuk.co.uk/etf-toolkit.cfm
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