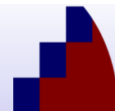


Case Study - Upstream Oil & Gas



Client: Global Exploration & Production

Business Challenges:

- Aggressive growth plans and commitments
- Recent land acquisition, thus knowledge of the field and well performance was evolving
- Optimize cross functional decision-making
- Integrate Financial, Operating, and Marketing budget and forecasting plans with historical actuals

Integrated Business Planning aligns the business to plan and enables more effective execution and decision making.

Challenge

The Client had embarked on an aggressive program in the Eagle Ford shale that as of this writing had grown production from 0 to 85,000 BOEPD net over the span of 24 months. While the company is highly experienced in mobilizing to develop assets, the pace and scale using new technologies in horizontal drilling and hydraulic fracturing was unprecedented for on-shore development in the company's 125 year history. The task not only required superior execution, it required close coordination across the functions of planning, sub-surface, land, drilling & completions, operations, supply chain, and marketing. Data to plan and track actuals was spread amongst various systems throughout the company, and the team was managing with often informal and reactive means to respond to changing business conditions and opportunities, usually without the best data to make decisions.

Solution

Nexview Consulting worked with the client as part of an end-to-end performance improvement project across Eagle Ford's functions to design and implement an Integrated Business Planning process that improved planning, performance management, and decision making processes for the management team. The project team created an IBP design that aligns the functional departments to manage the whole by managing the parts and distribute decision making between middle and upper management levels.

To enable the decision making process, the team designed and implemented a supporting reporting infrastructure that shows a calendarized view of critical planning and key performance indicator drivers across the planning and lead time horizon required for successful execution. Each IBP component meeting has the required inter-functional participation and view of planning drivers to manage the pertinent part of the business. This included aligning master data and well hierarchies throughout various systems to enable point or rolled-up analysis and scenario modeling, as well as providing report views of the data to support operations, financial, and marketing perspectives.

Outcomes

As development of the asset proceeded, the management team was called upon to align resources to the most profitable areas of the field, to integrate an acquisition, and to take advantage of reduced cycle times to optimize the balance among production, capital spend, and reserves. The IBP process guided and structured these decisions, and provided the direction to next level down department processes to carry out plans. Leaders now have a structured decision making process and report set to respond to changing business needs in a way that maximizes the performance of the whole. Results from the overall improvement project included a 25% reduction in spud to spud cycle time, translating to a cash acceleration exceeding \$150 MM.