Agenda

- Intro to Pegasystems and iBPM – Bill Kuzmich, Pegasystems
- Today’s Oil and Gas Business Imperatives – Jill Feblowitz, IDC
- Summary, Wrap Up and Questions and Answers
Leadership for the Digital Enterprise

- Founded in 1983
- HQ is in Cambridge Massachusetts
- NASDAQ: PEGA
- Large Partner Practice: including Accenture, Capgemini, Ernst & Young, and Wipro to name a few.
Evolution

BPM Suite

Efficiently Build Enterprise Solutions

Monitor & Optimize

Automate work

Source: Gartner (January 2010)
What is iBPM?

- Association of Business Process Management Professionals
  - Business Process Management is a disciplined approach to identify, execute, measure, monitor, and control both automated and non-automated business process to achieve consistent, targeted results aligned with an organization’s strategic goals.
  - An advanced category of legacy BPM technologies
  - Addresses the full life cycle

- iBPM - A *single unified platform* with a common development and run-time execution environment.
Jill Feblowitz, VP, Oil & Gas, IDC
Business Process Optimization in the Oil and Gas Market – Talking Points for Today

- Trends in oil and gas
- Business impacts
- Changes to business processes
- Recommendations
Trends with significant impact on the upstream oil and gas business in North America?

By around 2020, the United States is projected to become the largest global oil producer and result is a continued fall in US oil imports, to the extent that North America becomes a net oil exporter around 2030.” - International Energy Agency, World Energy Outlook, 2012

The supply chain moves from West to East

Yet, even though demand is increasing, because it is more expensive to produce resources, even the oil and gas companies with the strongest asset base need to improve performance.

“Costs to develop have increased dramatically since 2005, Total’s ROCE dropped from 16% in 2012 to 13% in 2013.” - Yves-Louis Darricarrère, president, upstream for Total, E&P Magazine, March 2014

“Shell has a strong asset base and industry leadership in many of its growth themes. While this position of strength gives confidence for the future, it is also clear that we need to get a tighter grip on performance management in Shell.” - Shell, Chief Executive Ben van Beurden, March 2014

"Oil and gas companies will increase exploration and production (E&P) spending by 6 percent to $712 billion this year." - Barclays
The Disrupters Impact Business....

- Manufacturization
- Large Capital Project Management
- Health, Safety and Environment
Business Process Managements role in the new Oil and Gas environment?

Digital Oilfield

Real-time Monitoring & Control, Surveillance, Visualization, Automation, Decision-making

Instrumentation/Sensors
Communication Networks
Remote Control Centers
Data Integration
Modeling

Integrated Operations

Workflow
Communication
Governance
Standardization

Collaboration

Enabling relevant disciplines to work together, using the available technology in the most effective way to achieve results.

Business Process Management
Recommendations for Oil and Gas companies seeking to improve upstream operations?

- Consider implementation of business process management:
  - Resource deployment in unconventional plays to support "manufacturization" and minimize downtime
  - Shift handover to support incident management
  - Work order to completion to support more efficient maintenance work processes
  - Design of rigs and equipment to order to shorten the design process

- Prioritize projects

- Use short cycles to implement

- Operationalize the business process management change.
Jill Feblowitz, VP, Oil & Gas, IDC

@jfeblowitz@idc.com
Solution Areas to Consider

- Incident and Response Management
- Well Services Delivery Optimization
- E&P Well Planning
- Upstream Production Surveillance and Optimization
- Well Authorization for Expenditure
- Oil Field Invoice Reconciliation
What is the Business Benefit?

- Helps companies shorten time to value by quickly building better business applications that address a myriad of business issues.

- Integrates people, process, technology and information across the enterprise enabling quality analysis and better business decisions.

- Enables a higher level of operational efficiency and responsiveness.
Questions & Answers