


# Oil and Gas Challenges

- ▶ How to Prepare for the Next Generation of Business



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**The 2009 Ernst & Young Business Risk Report for the Oil and Gas Industry outlines the top ten risks facing companies in the oil & gas industry.**



**This eBook examines how newer software platforms for business architecture, enterprise modeling, and business process management can help oil and gas companies address the following 5 risks:**

- ▶ **Uncertain energy policy**
- ▶ **Price volatility**
- ▶ **Cost containment**
- ▶ **Human capital**
- ▶ **Aging oil & gas infrastructure**

# UNCERTAIN ENERGY POLICY

Government regulations are constantly evolving and doing business internationally complicates things even further. This constant change and uncertainty means that oil and gas companies must be ready to change business processes and conform to new standards on an ongoing basis.

Most organizations are not this flexible. Manual or outdated processes, lack of documentation and process repeatability, and an overall lack of agility when it comes to making operational changes pose a huge risk at a high cost.



**Business process management (BPM) software – like Metastorm BPM® – allows organizations to fully understand core business processes, document them, and automate both human-centric and system-based processes.**



This documentation and automation ensures that processes are repeatable and auditable. The online process models that BPM provides make it easy to identify process problems or non-conforming operating procedures and update them quickly and easily. The updated processes are then automatically deployed to all employees around the world – delivering the flexibility and agility to manage the business effectively while responding quickly to outside forces like government regulations.

# PRICE VOLATILITY

Like the uncertainty surrounding energy policy, constantly fluctuating prices demand a level of agility that most companies do not have; thereby making it extremely difficult for oil and gas executives to forecast sales numbers and manage profitability targets.





**Business process management software can help increase agility and improve visibility – both of which can help companies operate better in an environment of extreme price volatility.**

By capturing core business processes into online models that are directly tied to the automation and execution of those business processes, companies gain the ability to easily and rapidly make adjustments to processes and resources as needed to operate in the most profitable manner. In addition, the software is continuously capturing information about each process, providing valuable data that can be analyzed to help forecast trends, identify what works and what doesn't, and help workers figure out how to make better decisions and improve their overall productivity.



# COST CONTAINMENT

Who isn't thinking about how to lower costs right now? Oil and gas companies are sharing the pain of the global recession. Lowering costs without compromising quality or customer service is a top priority for businesses – and BPM software can help.



**Business process management software has proven across industries to be a fast, effective way to streamline business processes to create greater efficiency, eliminate unnecessary activities, and increase employee productivity.**



Customers of Metastorm BPM software report anywhere from 5% to over 100% return on investment (ROI) per process deployed on the software platform. This ROI is largely due to immediate cost savings on process efficiencies as well as a boost in employee productivity and throughput. In addition, the added insight and visibility that BPM provides on process data helps to accelerate business decisions and improve overall operational response times. The ability of BPM software to automate, manage and monitor all types of processes across the business on a global scale makes it one of the best technology investments you can make.



# HUMAN CAPITAL

With nearly half of the workforce in the oil and gas industry expected to retire in the next ten years, the “big crew change” should be a major concern for companies in this industry. What do you do when years of knowledge walk out the door and a younger, more technology-savvy generation has to step in and fill the void?

The answer is you prepare now by capturing the knowledge of your best people and building that knowledge into automated business processes that can be leveraged by everyone in the organization.



**Enterprise architecture (EA) and modeling software (like Metastorm ProVision®) and business process management software (Metastorm BPM) provide a collaborative technology foundation.**



Using these tools you can document existing business processes, understand how your best people do their jobs, and capture those best practices in process models that can then be automated and deployed as operating business processes. The next generation of workers can then learn from the years of experience gained by their predecessors, shorten the learning curve, avoid costly mistakes, and leverage the collaborative technology platform that EA and BPM software provides to share ideas and find ways to improve the business. The collaborative nature of the software is conducive to the online culture of the new millennial workforce and will empower them to take your business to new levels.

# AGING OIL & GAS INFRASTRUCTURE

Keeping up with demand and meeting environmental regulations is becoming more difficult as physical infrastructure ages and breaks down. Oil & gas companies have large amounts of physical capital (refineries, drilling rigs, pipeline, IT systems, etc.) that needs to be maintained and upgraded over time – representing a huge cost investment for the company.



**Enterprise and business architecture (EA) software – like Metastorm ProVision – provides the tools needed to model all enterprise assets and plan for change. Enterprise models can be easily drawn and stored in an online collaborative repository for a global user base.**



By understanding the current infrastructure and identifying areas for upgrade, replacement, expansion or retirement, companies can more effectively identify the impact of infrastructure changes and put plans in place to accommodate these changes effectively. Everything from system upgrades to new equipment deployments to customer delivery models to sourcing processes can be analyzed and optimized based on a variety of cost, risk, and goal factors. Enterprise architecture software arms oil and gas companies with the knowledge they need to keep the business operating as efficiently and effectively as possible and to protect the valuable capital infrastructure that is the foundation of the business.

## **The oil and gas industry faces numerous challenges but there are technology solutions that can help.**

Companies like Shell, Rompetrol, and Talisman are already leveraging enterprise and business architecture and business process management software from Metastorm to document and better understand their business processes, analyze business improvements, and automate and monitor a wide array of human- and system-centric processes.

The results they have seen include lower costs, increased productivity, greater agility, better supplier relationships, fewer errors and a more complete understanding of the business.

Get on board with EA and BPM to help your company emerge as a leader in the next generation of the oil and gas industry.

For more information visit [www.metastorm.com](http://www.metastorm.com).



# About the Author



Laura Mooney is vice president of corporate communications for Metastorm – a global leader in enterprise architecture, business process analysis, and business process management software. In this role, Laura is responsible for worldwide corporate communications and leads all efforts related to corporate positioning, creative messaging, brand development, social media strategy, public relations and industry analyst programs.

Laura has over 18 years of experience in the technology marketing field. She is a frequent speaker at industry events and has published numerous articles, podcasts and eBooks.

# About Metastorm

With a focus on enterprise visibility, resource optimization, efficiency and agility, Metastorm offers market-leading software for enterprise and business architecture (EA), business process analysis (BPA), and business process management (BPM). As an integrated product portfolio, Metastorm Enterprise allows organizations to improve business results by better aligning strategy with execution.

By combining the power of these three disciplines onto a common platform, Metastorm is helping organizations worldwide focus on the right business improvements, instill stronger governance, and accelerate time to value. For more information and success stories on organizations powering strategic advantage with Metastorm Enterprise, visit [www.metastorm.com](http://www.metastorm.com).

