

# New North Sea Number One

When 95% production efficiency still isn't good enough, how do you reach the top and stay there?

## THE SITUATION

For one international oil major, the specific task was further improving an already impressive track record of 95% production efficiency.

Driving further increases from an already high level of performance brought with it a fresh set of challenges. These included ageing physical assets and the age of the offshore workforce; many had been around since production started nearly 40 years before.

## THE ASPIRATION


Management set the target of increasing Production Efficiency by 0.75%: a real hurdle for any operation already at the 'top of its game'.

They also determined to 'become the best operator in the North Sea' according to industry benchmarking studies in Production Efficiency.

Having set the objectives, the company engaged Celerant Consulting. Celerant has a strong track record in the oil and gas sector, and in particular in the North Sea, where they have undertaken more than 25 programmes over the last 14 years.

## Results

- Production efficiency up by 0.75%
- \$70m annualised benefits
- Client ranked number 1 in North Sea in Production Efficiency



"The biggest success has been that continuous improvement is now seen as an integral part of people's daily work, which is a significant culture shift for us"

**Client Programme Manager**

## THE TRANSFORMATION

Celerant began by looking at operational issues preventing the client from reaching its goal. Specific production efficiency work was only one element of a much broader programme, including: Drilling, Well Services, Logistics, Contracts Management, Integrated Planning and Lean Six Sigma training.

Celerant analysed the root causes of production losses over the previous 12 months and then held a series of workshops to assess how they could be addressed, mitigated or removed.

Process Engineers, Reservoir Engineers, Maintenance Engineers and Offshore personnel were brought together. The targets that emerged were reviewed with management and bought into by all stakeholders.

Major areas of delivery included:

- **Production Loss Reporting system**, a standard set of loss codes was rolled out across all platforms and standard loss reports were designed. Specific end-user requirements from all the different assets were incorporated. They were combined with a unified approach, so that management could compare the performance of different platforms, often with very different set-ups.

*"Celerant has provided us with structure and drive, and helped us develop capability within our own organisation"*

**Client Operations Manager**



- **Root Cause Analysis workshops** held offshore (smaller losses) and onshore/offshore (major losses). The process is ongoing, with each production loss triggering an investigation and action plan.
- **Short Interval Control** – Targets were set for production on each shift, based on the real work planned for execution. Actual production was then reviewed by offshore supervisors and action taken immediately if problems began to occur (e.g. falling well pressures). This replaced the previous approach of acting on historical data.
- **Offshore and Onshore workforces were brought closer together** through regular reviews of planned and actual production. The Offshore team gained better understanding of reservoir expectations, while the Onshore Engineers knew the production levels they could realistically expect, based on current work schedules.

## THE RESULTS

The operation improved its Production Efficiency by the desired 0.75%: worth at a conservative estimate \$70m annualised. It moved to the Number One position in the Production Efficiency benchmarks for the year.

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