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What if we could choose our own assignments?

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Leader
What if people could choose their assignments?
People can be extremely motivated when they have the freedom to choose which projects to work on based on how they feel they can add value, and unexpected innovation happens when you allow open collaboration to achieve a goal, says John Gibson, CEO of Paradigm

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Linux and Wikipedia have taught us two valuable lessons. First, that people can be extremely motivated when they have the freedom to choose which projects to work on based on how they feel they can add value. And second, that unexpected innovation happens when you allow open collaboration to achieve a goal. Are these lessons that the oil and gas industry should take to heart? John Gibson, CEO of Paradigm, thinks they might be.

In his concluding keynote speech at the Digital Energy conference in Houston, Texas on May 20th, John Gibson, CEO of oil and gas software company, Paradigm, raised an interesting question.

What kind of unexpected innovation could occur, he asked, if people in oil and gas companies could choose their projects based on their own interests and where they thought they could add the most value? It works for Wikipedia and Linux, Mr Gibson noted.

In his speech, Mr Gibson suggested that staff would be much more motivated and feel that they were making a real contribution if this were the case, and teams and individual competencies would be allocated more effectively, as well.

The talent pool could be expanded, allowing retired experts to also get involved in projects. Students and postgraduates could respond to a company’s invitation and apply their skills to solve difficult industry problems.

To make his case, Mr Gibson pointed to the vast amount of available data our industry collects, noting that only a fraction of it is currently used to make decisions to efficiently identify, develop and produce reserves.

“For a simple 3D offshore wide azimuth survey, there are often two hundred terabytes of data,” he said. “We drop it down to a couple hundred gigabytes to do the interpretation. It’s the standard approach and method.

“I think within the next five years you’re going to see us take advantage of all two hundred terabytes of captured data. To do this, it means we will have to fundamentally change our approach. I think there are some real breakthroughs required, and that are imminent.”

Mr Gibson admits that opening innovation to a broad self-selecting community of talent wouldn’t be the easiest thing to organize in a company with 20,000 people.

But, he suggests, since the current system is hardly perfect, perhaps a different method of organization is in order.

When you consider that managers often don’t have a deep understanding of the problem—and certainly don’t know what the solution is—Mr Gibson’s suggestion that people self-select based on what they have a passion for, and where their capabilities lie, rather than being assigned to jobs based on what managers feel is best for them, seems to make sense.

Goldcorp.

In his speech, Mr. Gibson told the story of Goldcorp, the Vancouver company that found gold by publishing its information on the Internet.

Goldcorp had a 55,000 acre asset in Red Lake, Ontario, and a $100M market capitalization. The company was taking a conventional ‘proprietary’ approach to their data—drilling core holes, bringing core data back to the office, analysing it with a team of geologists, and then identifying prospects where they needed more data. It would have taken them a couple of years, or more, to determine where to engineer shafts to mine the gold.

Rob McEwen, the company’s new CEO, had no background in mining. He had, however, recently attended a conference and heard about how the computer operating system Linux is created and maintained by people collaborating and self-selecting which projects they work on, based on their interest and expertise.

Mr McEwen asked Goldcorp’s geophysicists to put their data on the web. Goldcorp put up $575,000 in cash rewards to people who could come up with good prospects. Within weeks, more than 1,400 people were working to locate prospects on the company’s 55,000 acres.

“That included ex-military people, engineers, college professors, grad students, retired mining professionals, school teachers. Anybody that could get on, they signed up and attempted to solve this problem,” Mr Gibson said.

“People worked on it part-time; they played with their grandchildren, they did a little fishing, then they went in and prospect-ed for Goldcorp over the Internet.”

As a result of implementing this method of organization, McEwen had 110 prospects submitted that were not previously identified by his personnel. 50 turned out to be major producers for Goldcorp.

As a result of using this approach, the corporation produced eight million additional ounces of gold, and the company’s market capitalisation went from $100m to $2bn.

But Mr Gibson points out that Mr McEwen had to overcome cultural issues in order to implement his plan.

“We often see our data as proprietary,” Mr Gibson said. “He broke through there to say that the data is not what’s proprietary.

“I think, in some ways, the more senior someone is, in an organisation, you realize that the only thing that matters is performance.” — John Gibson, CEO of Paradigm
are defining terms of intangible things like proprietary data.”

Mr Gibson emphasises that what is really important is how a company performs at producing properties efficiently and effectively and getting the product to market at the lowest possible cost.

“Thinking in terms of Goldcorp,” he says, “[Does the oil and gas industry] have the right models in place to deliver affordable energy that the world is demanding today, or is there a different way of doing it?”

Encyclopedias
Mr. Gibson also shared another story of how collaborative innovation works in the case of Wikipedia’s competition with Encyclopedia Britannica.

At one point, said Mr Gibson, Encyclopedia Britannica was stating publicly that it was better than Wikipedia.

A university decided to test this statement. They began by comparing articles, and determined that there was only a four to five percent difference in the quality of the material. There had to be some other dynamic differentiator, so they introduced error into Wikipedia by inserting obscenities into a large number of Wikipedia articles, and in less than 90 seconds, all of the obscenities had been removed.

“So now you’re Britannica, and you’re trying to publish once a year, something that takes a dolly to move back and forth to your home, and that’s the processes that you put in place and the legacy that you have,” Mr Gibson said.

“Then you have a network of unpaid people that have a passion and have self-selected to do this kind of work. So, within 90 seconds of you goofing up an article, they’ve got it fixed because they have accountability for it.”

InnoCentive
The final example of a collaborative problem-solving model that Mr. Gibson cited is that of InnoCentive, an Eli Lilly spinoff founded in 2001.

InnoCentive connects companies, academic institutions, and public sector and non-profit organizations with a global network of more than 145,000 registered “Solvers” from 175 countries.

“Seeker” organizations post challenges on the InnoCentive website, offering awards of between $5,000 and $1M for a successful solution provided by a member of the Solver community.

InnoCentive has categories for many different disciplines, from medicine to manufacturing to the oil and gas industry. Thousands of problems are presently posted on its website.

“InnoCentive allows a company that can only afford 2,000 researchers to increase the talent pool and deploy 20,000 researchers on a problem,” Gibson said.

When it comes to delivering the energy that the world is demanding today, Gibson concluded, we need to ask, “Do we have the right process and organizational models in place? Is there a different way of doing it?”

If the examples he referred to in his speech are any indication, it’s clear that he might know the answer.

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