

WORKSHOP TITLE: OPPORTUNITY & PROJECT FRAMING

Workshop Duration: 2 days

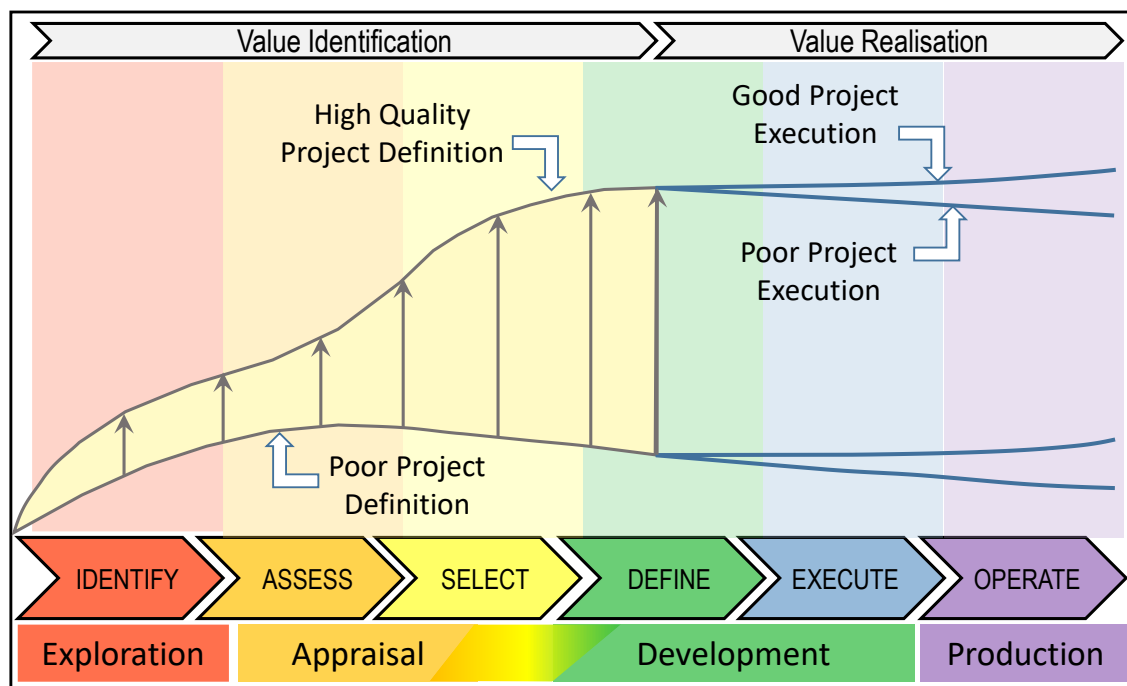
Typically Used: In the Front-End Loading (FEL) stages of Project Development

Overview of the Workshop

Opportunity, or Project, Framing (OF) is a Value Improving Practice that is applied by most major Oil & Gas Operators as part of a gated development process. OF is recommended by benchmarking organisations such as IPA and it has demonstrably proved that it can improve project performance in a wide variety of industries.

OF is a structured approach to understanding and defining an opportunity and in creating a robust, decision-driven, plan for the realisation of the opportunity. For projects this is first stage in setting out the boundaries on what the project is and is what it is not.

Opportunity Framing is taught in many business courses, such as those from the Harvard Business School. Its major value in oil & gas developments lies in the Value Identification (or Front-End Loading) phases of a project.



Influence of the Quality of Front-End Loading on Project Outcome

When to Use Opportunity Framing

The first OF Workshop for a new Opportunity or Development is usually conducted right at the very beginning, before almost any other work is done on the Opportunity. It is a superb alignment tool and makes sure the work of developing the opportunity proceeds in a structured and integrated manner.

OF is used in a very wide variety of industries and for a variety of 'Opportunities' e.g.:

- New Field Developments – At the start of an Oil or Gas Field Development before the licence block bidding phase or after obtaining an exploration licence and before exploration drilling has started.
- Mergers & Acquisitions – framing potential acquisition targets prior to the investment decision or to align a new project team once the investment has been made.
- Joint Ventures – helping to overcome some of the challenges of different working cultures and company expectations
- Divestments – preparing the prospect or opportunity for successful divestment by ensuring that clear areas of potential value are presented to potential buyers and any possible areas of risk are identified.
- New Product Developments – understanding where the competition lies, what is the unique value proposition for the new product and creating a plan for bringing the new product to market.

Most companies also conduct a Re-Framing whenever a significant development change occurs. This may include :

- At the start of each new phase of the Gated Development Process
- Whenever the commercial situation changes, such as a new equity partner becoming involved
- When there is a significant change in the technical or commercial circumstances which affects a major decision that has been previously taken based on different assumptions

How the Workshop is conducted

OF workshops are conducted with an integrated, multi-disciplinary, group of staff, including the key business decision makers and those responsible for the technical and commercial development of the opportunity. The use of a multi-disciplinary team results in a good understanding of the full range of aspects impacting project success and also a sound understanding of the key risks.

The workshop is facilitated by an experienced OF Workshop Facilitator, who guides the participants through a structured set of 'Modules'.

The Facilitator will engage with the Workshop Sponsor(s) in good time before the workshop in order to plan the workshop and tailor it to the specific development and the sponsor's requirements.

The Elements of an Opportunity Framing Workshop

OF is built around developing an understanding of three key aspects of the Opportunity :

1. **Where we are now** : The current situation, the context, identifying the value drivers, key risks and critical success factors
2. **Where we want to be in the future** : Defining the aspiration of the Client, identifying improvement opportunities, whilst mitigating gaps and risks
3. **How we are going get there** :– Create an integrated decision-based roadmap for the way forward

The Facilitator guides the workshop team through a set of structured 'Modules' which deliver the context and content to address the above 3 areas.

Typical OF Modules, from which the Facilitator and Sponsor(s) will select which are appropriate for the specific opportunity) include the following

- *Grounding Presentations*
- *Supply and Value Chains*
- *Opportunity Statement*
- *Stakeholder Mapping*
- *Value Drivers and Critical Success Factors*
- *Brainstorming*
- *Definition of Success*
- *Decision Table*
- *Decision Hierarchy*
- *Roadmap*
- *Action Plan*

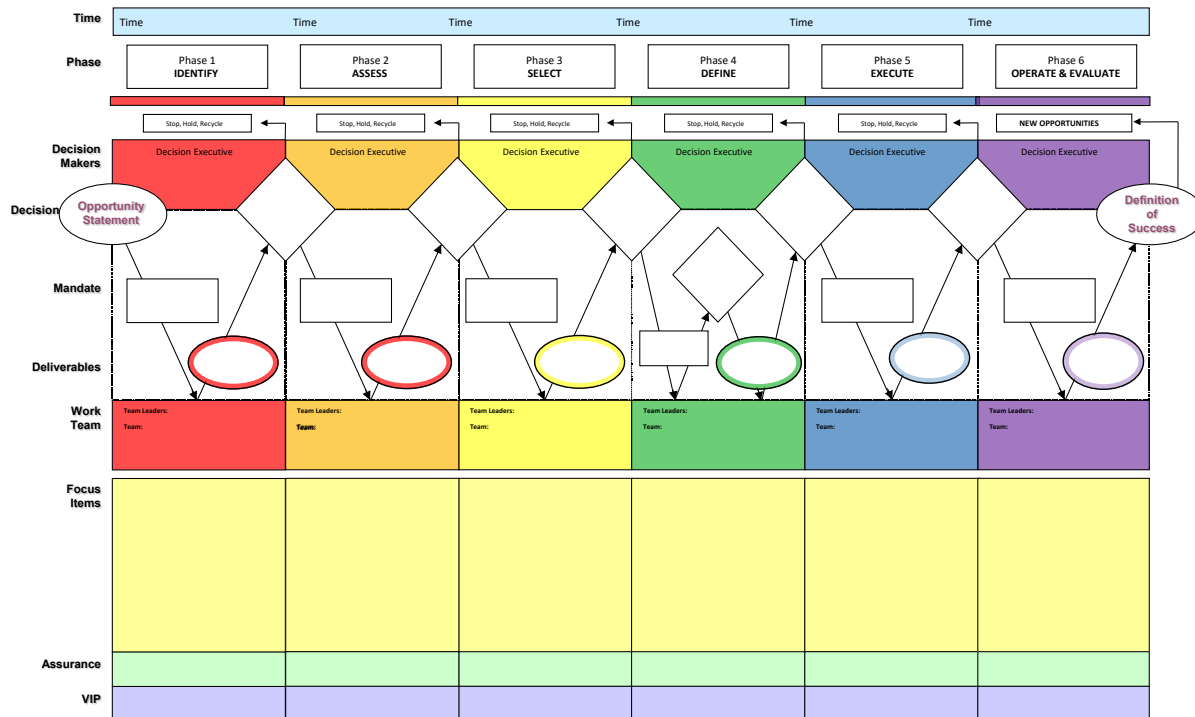
The deliverables from an Opportunity Framing Workshop

The output from the Workshop is a clear understanding of the problem that need to be resolved, or project to be delivered. This is expressed in an integrated and realistic decision-based roadmap, a focused action plan, understanding of the key stakeholder's positions, decision criteria and clarity on decision makers.

Many times it is said that one of the key deliverables from an OF Workshop is simply the building of consensus and alignment amongst the stakeholders.

One of the key deliverables is the 'Roadmap' which brings together the results from each of the 'Modules' used in the Workshop. Successful project teams use this Roadmap to guide the next phase of the Stage Gate Process and keep it running as a live document.

Roadmap



Facilitator

Phil Tudhope is currently Director of a consulting company, specialising in technical and project management training for graduates and more senior technical staff. He has a first class honours B.Sc. in Mechanical Engineering from Bristol University and is a Chartered Engineer, Fellow of the Institution of Mechanical Engineers and Associate Member of the Institution of Chemical Engineers.

Phil has over 40 years' experience in Project Management, Technical Development and Change Management in the oil & gas industry and proven technical and managerial capabilities to achieve results with a strong business focus and to effect significant positive change. He is a specialist in front-end (feasibility & concept selection) phases of upstream oil & gas developments with midstream (LNG) experience and project execution experience and has the ability to perform analysis and development work as well as lead and motivate teams.

Amongst other roles, he was Specialist Front End Advisor at Petronas Carigali, Chief Process Engineer at BG Group and Head of Upstream Engineering at Shell Technology India. He has experience worldwide in differing political, social and remote environments, having worked overseas for 28 years including the Far East, USA, Europe, the Middle East and India.

Phil is an experienced instructor and has designed and facilitated over 50 workshops including; Opportunity Framing, Concept Identification and Selection, Value Engineering, Risk Management, Contract Management and Produce-the-Limit.