



STATOIL

THE DRIVE FOR EFFICIENCY

Statoil was founded in 1972 to manage Norway's interests in the rapidly growing North Sea oil industry. As recoverable hydrocarbon reserves have declined, however, the company is actively building up production abroad and targeting operational improvements in Norway itself, where the largest fields are producing less each year. Through an ongoing efficiency program to reduce costs, in which **Capgemini** is involved, Statoil aims to prolong the life of these exceptional assets and keep them profitable.

Making the difference

Statoil knew that major change was needed, and that the key challenge was implementation. As Øivind Reinertsen, senior VP for production, comments: "We had plenty of ideas about how to become more efficient but not enough experience in making it happen. We were seeking a pragmatic, systematic way of prioritizing and implementing these ideas while at the same time maintaining production." A new way of working was needed, and that is where **Capgemini** has made a real difference.

Øivind Reinertsen was impressed by the methodology being used in a pilot project and decided to follow the same approach throughout the extensive Tampen oil fields. "Capgemini has a very systematic approach," he says. "The methodology is clear and credible." The management team defines an overall improvement ambition and this is broken down into a series of projects, with clear delivery responsibilities, which are implemented according to agreed rules and measured all the way through. Fragmentation and duplication is driven out of the project in pursuit of company-wide efficiency gains.

Major performance improvements have been achieved but it has not been easy and challenges remain. As Bernhard H. Hilmarsen, the **Capgemini** account executive says: "This is one of the most tightly regulated industries in the world. There are increasingly rigorous environmental restrictions; health and safety laws are very stringent and so are employment laws. Everything has to be done in the right way."

Looking to the future

To date, significant efficiency gains have been made where it has been comparatively easy to show fast results. The next stages will produce further benefits but will also see the complexity of the project grow dramatically. While a large number of people have been involved so far, in the future the project will affect the entire regional workforce of around 2,000.

While having achieved significant results, the road ahead for the Tampen operations is still challenging. As Øivind Reinertsen puts it: "We still need the outside challenge to drive us forward, to make us think and implement more methodically, to guide us in achieving our business goals."

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