



*Adding Value...*  
*A Drilling Contractor's Perspective*  
*of the*  
*Shell Business Performance Review*

Wednesday- January 22nd  
New Orleans, Louisiana



The **Business Performance Review** “BPR” is a quarterly and annual review of key metrics between Royal Dutch Shell Operating Units and their Contractors to evaluate the successes and shortcomings of their relationship. The BPR is an enabling tool for continuous improvement

- **Global Goals and Measures**
- **Operating Unit Goals and Measures (SEPCO)**
- **Specific Rig or project Goals and Measures**



- **Establishment of Key Performance Indicators “KPIs”**
  - **Aligns Operator and Contractor philosophies on what drives their respective companies operation/daily business.**
  - **Establishes a consistent and “hard” measuring tool for evaluation of each parties performance.**
  - **Provides opportunities to discuss openly Operator’s impact on meeting stated KPIs and fostering a “team approach” to achieving the KPI goals.**

***“Benchmarking Ensures Improvement”***



- **Focuses on Critical Aspects of Business**
  - **HSE Improvement**
  - **Measurement/DTL Improvements**
  - **Relationships**
  - **Transparency in Programs (SEPCO/Contractor)**



- **Use as a Performance Measuring Tool**
  - **Provides a defined visibility and accountability process.**
  - **Engages all stakeholders to drive performance improvements.**
  - **KPIs used in contract selection process within a OU.**
  - **Evaluations based on “hard” vs. “soft” issues.**



## ➤ **Communication & Teamwork**

- **Establishes a teambuilding environment as goals are mutually beneficial.**
- **Stimulates Competition to improve amongst OU’s other projects and overall goals as hard data is available and evaluated; which delivers focus, effort and cooperation to develop a plan to succeed.**
- **KPIs are not used as a “whipping post” – but rather as a communication tool. Comparison is warranted, actions expected and results delivered....from both SEPCO and Contractor’s standpoint to deliver world class results – “teamwork”.**





## "BPR" – Credibility to Succeed

- **For the Shell BPR to remain as a way of conducting business over the long term – value on both sides must be evident.**
  - **Numbers don't lie!!**
  - **Commitment from bottom up as well as top down!**
  - **No surprises!**





## Shell – Noble BPR Results

- **The SEPCO - Noble BPR Process In 2002 Resulted In:**
  - **Improved HSE Performance**
  - **Improved Operational Performance Against DWOPS**
  - **Enabling New Technology**
  - **Consistency**
  - **Focus – On Continuous Improvement**
  - **Vision – Better Understanding of Each Company's Longer Term Goals**

