



Technip Marine Operations Services Driving Excellence 365

Case Study
Oil & Gas

Improving organisational effectiveness to reduce vessels rates and increase customer satisfaction

Company Name: Technip

Location: UK

Sector: Oil & Gas

Function: Engineering

Business Challenges: Reduce vessels rates and increase operational effectiveness

Consulting Services: Performance Improvement, Change Management

Capabilities: Organisational Effectiveness, Asset Management (engineering & project management, maintenance), Procurement

Client Quote:
"Celerant has been instrumental in helping us implement the changes that were deemed necessary to bring the new organisation to our level of expectations."
Alain Marion, SVP Subsea Assets

"We revolutionised the division while still delivering operational performance and driving company-wide initiatives."
Willy Gauttier, T-MOS VP

Situation

Technip is a world leader in engineering, technologies and project management for the oil & gas industry. Its fleet management division, Technip Marine Operations Services (T-MOS), operates vessels for subsea construction projects worldwide. Vessels required substantial CAPEX investment and life extensions, which were adversely impacting depreciation and charge-out rates. When combined with the challenges of an ageing workforce, statutory crewing regulations and local crewing agreements, there was a risk to the company's ability to handle current or future business and operational challenges.

Approach & Delivery

Celerant Consulting, a world leader in delivery of operational improvement programmes in the Oil & Gas sector was engaged to design and deliver a project to achieve a step change in T-MOS' performance. An Organisation Effectiveness workstream created a simplified onshore structure, ensuring that the right people were in the right positions, with clear accountabilities and supported by appropriate management systems. This enabled the division to speed up decision-making, work cross-functionally and achieve greater predictability of performance. Offshore initiatives were also introduced to decrease crew costs. A Procurement workstream enhanced supply chain management capabilities through supplier rationalisation, more systematic competitive tendering and the implementation of frame agreements. A Vessel Availability workstream improved relationships with Technip's regional business units through the

development and delivery of Service Level Agreements. And a Life of Asset Management workstream ensured 'right first time' engineering through a clear CAPEX selection and prioritisation process and a robust project management process.

Results

By the end of the project, a significant annualised OPEX reduction had been achieved against a multi-million pound target. This comprised of a reduction in onshore headcount, a reduction in offshore personnel costs and procurement savings through frame agreements, settlement discounts and retrospective rebates. An annualised reduction in CAPEX (13% of budget) was also delivered against a target of 7%. This was achieved by cancelling unnecessary projects and tightening control of ongoing projects with a rigorous project management process. Overall performance visibility has improved, is better managed and internal customer satisfaction has also improved.

Client Satisfaction

A right-sized organisation supported by an integrated management system and redesigned to deliver greater business efficiency and focus on customer delivery. A profound change in procurement strategy and behaviours, moving from uncontrolled sourcing to supplier rationalisation, onshore procurement and competitively priced frame agreements.

