

Shell – Team Building on a Deepwater Offshore Oil Rig

Anna Hunter

In 1994, Rick Fox, a drilling superintendent with the Shell Exploration and Production Company, was promoted to operations manager for a new deepwater offshore development, Ram Powell. A few years before, Fox had overseen the launch of Auger, Shell's first deepwater development. The performance of Auger was so outstanding that Shell wanted Fox to replicate the success with another rig and wanted him to do it in record time.

Ram Powell

The accelerated schedule presented numerous challenges for Fox. There were nowhere near enough local Shell workers in the New Orleans area to staff the new rig, which meant he had to bring in people from all over the country. (This was a first for Shell, which had always hired locally.) Furthermore, 73% of those hired had never worked offshore. With no shared culture in the group, communication proved challenging. "Their language was different; the way they did things was different," says Fox. "People were using different words to explain the same things. It was a motley crew—I'm lovin' them, but I don't know what to do with them." What he did know was that Shell's ambitious production expectations meant he couldn't afford to let misunderstandings and lack of openness get in the way. "We didn't have time to mess with this."

Having done some Human Element work with Ailish Schutz with the Auger development, Fox called her in again to "go full-blown with this group" as basic preparation for going offshore. Together they facilitated four-day Human Element workshops with

all 25 leaders, and then followed up with workshops with 60 others. Fox was pleased with the immediate results, which were apparent in the way people talked to each other. "It got to where people could hear each other's ideas and not think the other one's dumb because he doesn't use the same language," he says. "It's hard in the best of times to get people to be open; under pressure, it's even harder. But we did it."

The financial results were even more pleasing. "Ram Powell broke all the records for reliability and performance with a crew that had no business doing that well," Fox says. "This proved to us that there was more to success than just the technical. It was how we worked together, how we communicated, how we made decisions."

Ram Powell ended up having the best first-year performance of any tension-leg platform in terms of up-time, which is a calculation of how much oil or gas a rig produces versus how much it could have. Physically designed to have 85% up-time, Ram Powell continued to have up-time of more than 97%. Says Fox, "Anything above 85% was the creativity and the skills and talent of the people operating it." It had



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similar excellent performance with safety and environmental standards.

URSA

After Ram Powell, Shell charged Fox with overseeing URSA, a much larger and even more challenging development. While Ram Powell was a clone of other rigs, URSA was the biggest deepwater production platform Shell ever built, and its deep oil field was much more difficult to drill than other fields. The expectations were extremely high: forecasts called for more than 40,000 barrels day of oil from each well. Yet the project seemed plagued from the start. Shell lost the original drilling location because of an unexpectedly severe shallow salt-water flow, which threatened the structural integrity of the site (by potentially undermining the soil strength that supported the wells). In addition to a loss of \$250 million worth of work, this put them eight months behind schedule. Fox and his team had been counting on ten pre-drilled wells but ended up with only one, which meant they had to drill nearly all the wells from scratch. Instead of taking 24 days to get each well into production, it would take 60 – 90 days per well. The combined impact to URSA and Shell had the potential for company-wide impact.

URSA's up-time: 99%. Production performance: over forecast by more than 14 million barrels.

Fox's grounding in The Human Element paid off on URSA. He brought his experience with Ram Powell, and he and his leadership team (some of whom had also gone through The Human Element) managed to get URSA up and running four months ahead of the recovery plan schedule, saving the company more than \$40 million. In 2000, the first full year of production, URSA's up-time, at 99%, beat even Ram Powell's, and it improved production performance over the forecast by more than 14 million barrels, essentially erasing the

forecasted shortfall for that year and returning URSA to the robust project envisioned. As for safety, there were no personnel accidents, a rare and outstanding result. URSA's operational success and culture of openness and pride has made it a model rig; it hosts visitors year-round.

Concludes Fox, "The Human Element work was a transformation when it occurred in our business. So many people were touched by it. It's been very big in my life, and I believe that it was an essential catalyst to what we accomplished." 