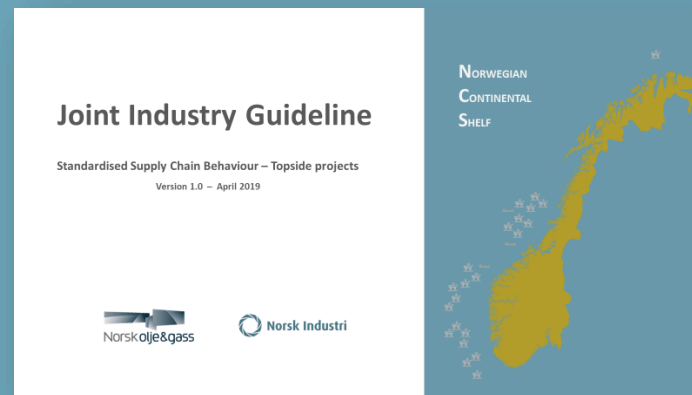


JOINT INDUSTRY IMPROVEMENT ARENA AND IMPLEMENTATION NETWORKS

STANDARDISED SUPPLY CHAIN BEHAVIOUR

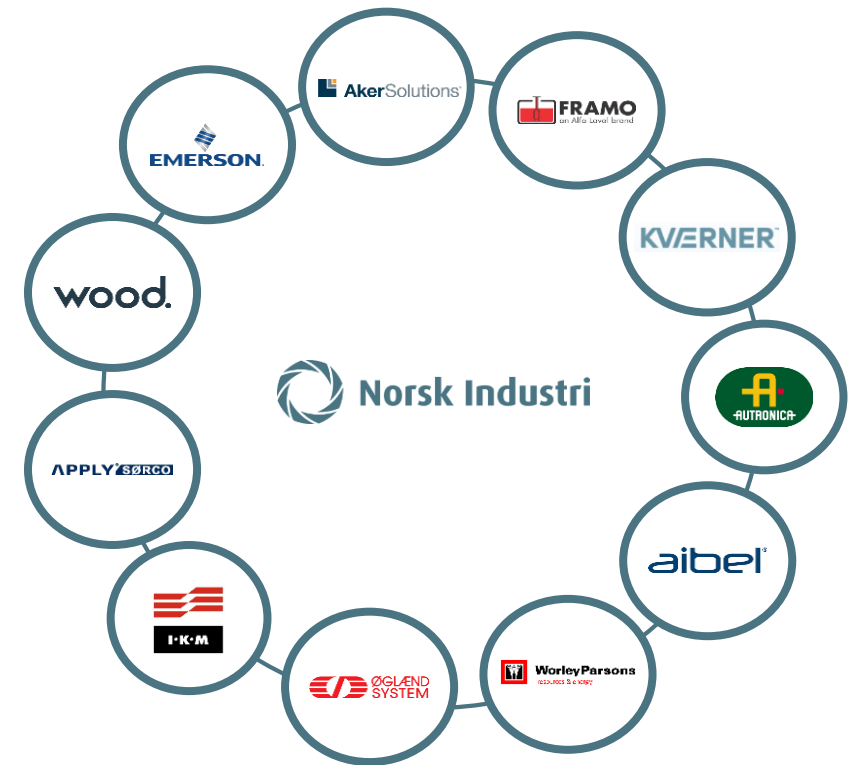


Standardised Supply Chain behaviour

Joint effort towards supply chain re-design



Supply chain re-design indicates
>15% savings
And sustainable margins
from topside modification projects

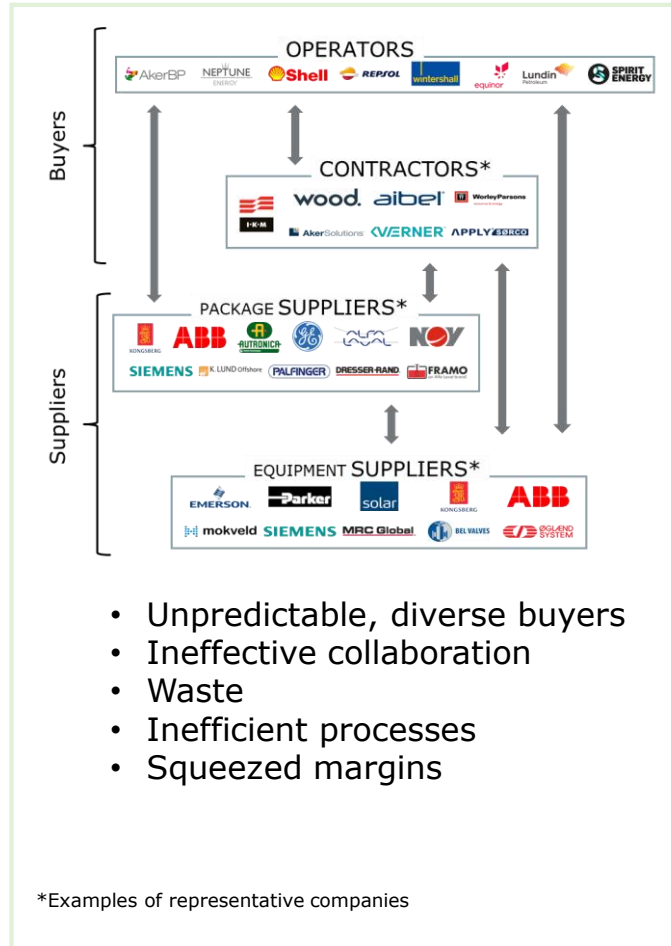


Relevant companies not yet involved are welcome to join

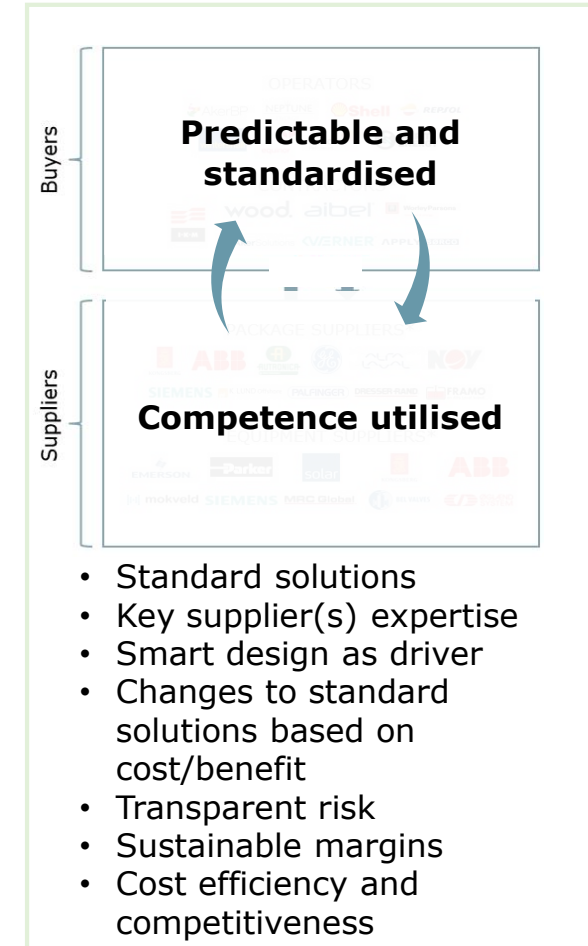
Standardising behavior to increase competitiveness on NCS

Current and desired situation of buyers and suppliers

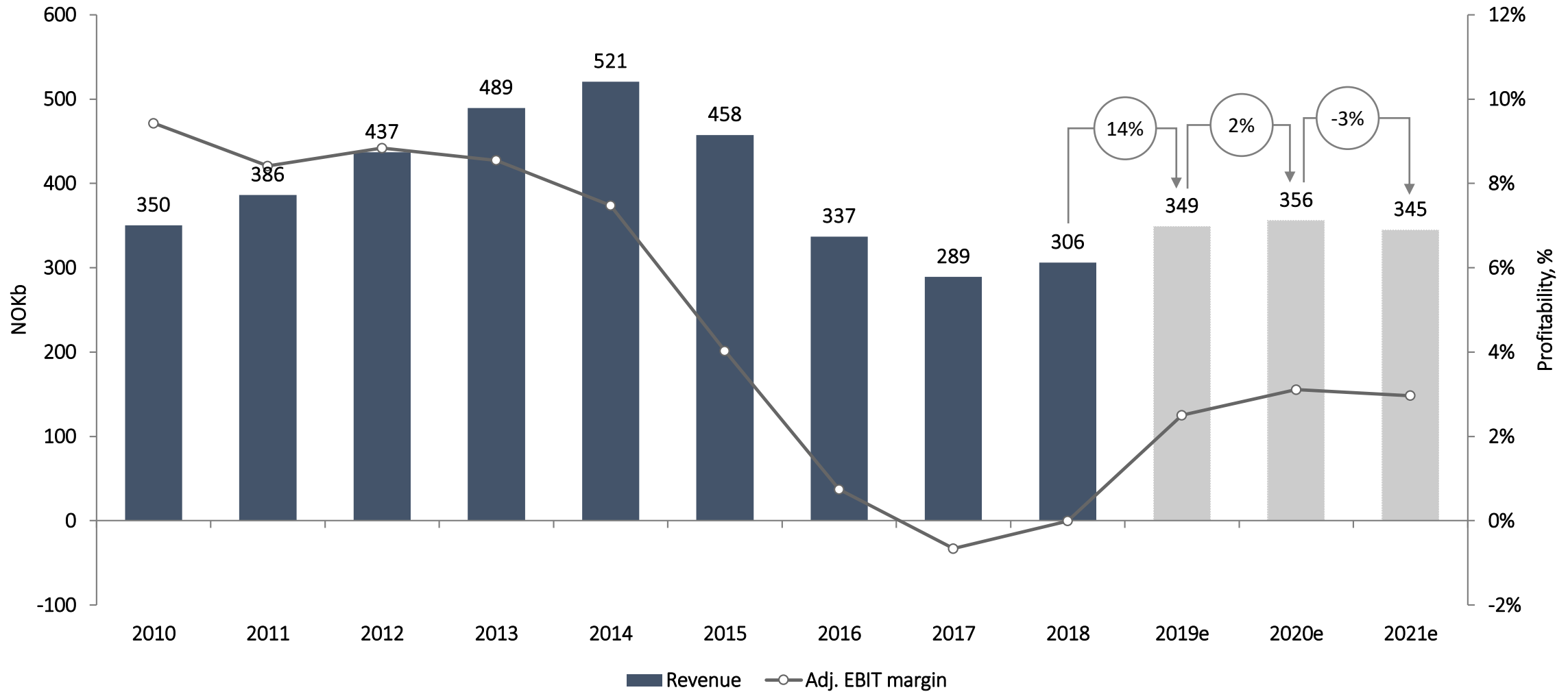
Current situation



Desired situation



OFS Outlook



Source: EY analysis

Recommended best practices for standardised supply chain behaviour

Four main recommendations as basis for best practice industry guideline



PROJECT MANAGEMENT

- Establish early execution strategy based on recommended best practices
- Early involvement of key suppliers
 - Enable efficient use of competency

ENGINEERING

- Cost efficient functional requirements
- GAP analysis and cost/benefit for company specific customisations
- Risk based QA plan

PROCUREMENT

- Contract solutions and contracts that stimulates to efficient collaboration

Same agenda in operator and contractor companies

Key feedback from respondent groups

Baseline survey November 2019

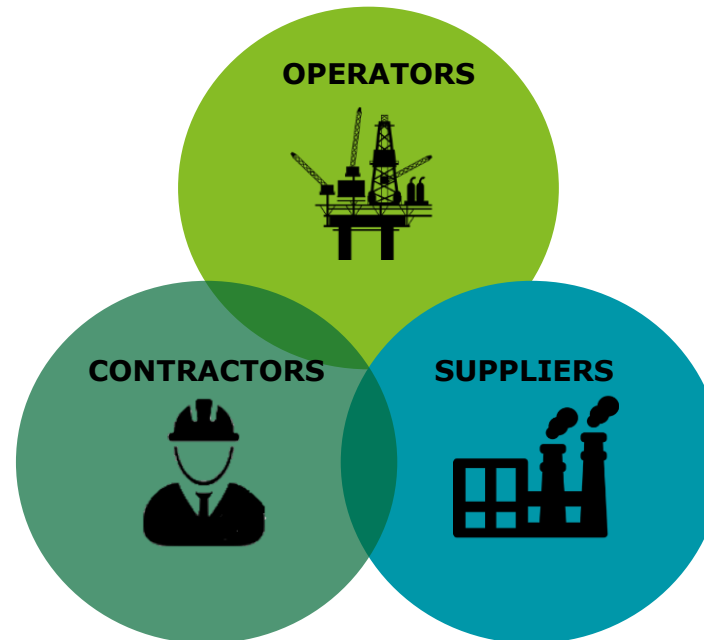
Operators have the most positive view on the current situation

Large spread between the operators in their feedback. Other input also indicate varying alignment of current practice with guideline recommendations.

Contractors have the most negative view on the current situation in the industry.

Significant improvement potential with regards to alignment of drivers and the related support from contracts.

Low spread in the feedback - indication of coherent view on improvement potential



Suppliers see a significantly larger improvement potential than both operators and contractors related to standardisation of documentation and pre-defined follow-up.

Utilisation of standard requirements receives the highest score from suppliers of all questions, and significantly higher than the other groups

Large spread in the feedback, could be natural due to the differences in supplier characteristics and segments

Significant improvement potential

The contractor and supplier companies sees the largest improvement potential

IMPROVEMENT AGENDA MAIN RECOMMENDATIONS

Standard solutions should always be basis for optimisation and smart integration of scope

Key suppliers should be selected early, and involved in optimisation and smart integration of scope

Contract solutions in study/feed should stimulate to collaboration in optimisation and smart integration of scope

Leadership and training programs should be conducted to ensure culture change within the target groups: Project management, Procurement and Engineering



Increase use of industry
STANDARD DELIVERY



Better and earlier use of
SUPPLIER EXPERTISE



ALIGN DRIVERS
across the supply chain



Change operator and contractor
CULTURE

KEY FEEDBACK FROM INDUSTRY

Significant potential to increase use of standard deliveries

Improvement potential in better and earlier use of supplier expertise

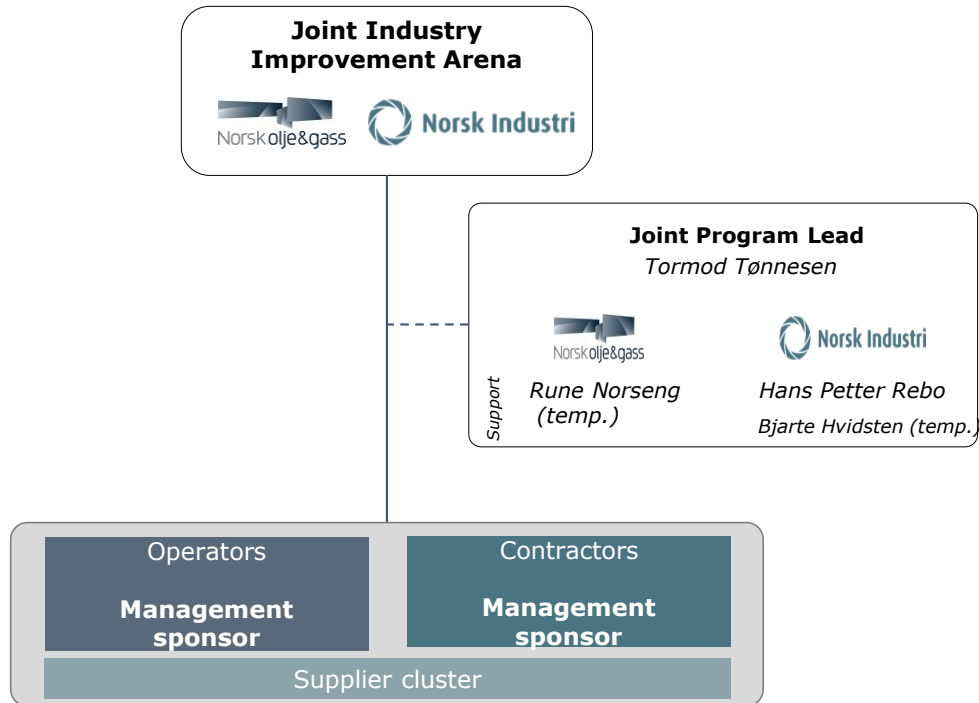
Unleashed potential to review contract solutions and incentives

Clients in other relevant industries are in many cases more efficient and predictable than Oil & Gas clients

Standardised Supply Chain Behaviour

Joint industry improvement arena – organisation and mandate

Periodical reporting back to Norwegian oil and Gas and Norsk Industri



Vision



Contribute to increased sustainable lifetime and competitiveness for NCS

Mission



Define and drive improvement agenda to achieve competitiveness and sustainable value creation in companies across the supply chain

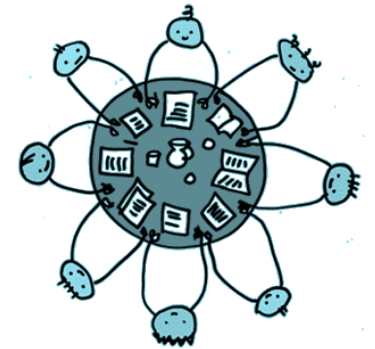
Joint Industry Improvement Arena – Established November 2019

Joint Industry Improvement arena

Knut Thorvaldsen (<i>temporary</i>)	Norsk olje og gass	Deputy Director General
Hans Petter Rebo	Norsk Industri	Ass. Director
Michael Bible	AkerBP	Project Manager
Lars Johannes Nordli	Equinor	VP Procurement & Supplier Relations
Øystein Danielsen	AkerSolutions	VP Global Supply Chain
Pål Storm-Johannessen	Aibel	VP Supply Chain Management
Vidar Haugland	IKM	VP – IKM Testing

Project/program management

Rune Norseng	Equinor	Project manager (until 18/11)
Tormod Tønnesen	Norsk olje og gass	Program manager (from 18/11)



Mandate:

- Owner of Joint industry guideline
- Owner of benchmarking (NCS level)
- Identify and initiate industry improvements within standardisation and collaboration
- Propose expansion to other segments when business opportunities are identified
- Identify opportunities for standardisation of processes and tools to capture effects from common solutions across players in the supply chain
- Engage in and secure alignment between relevant standardisation initiatives with impact in the supply chain

Standardised Supply Chain Behaviour

Joint industry improvement arena – organisation and mandate

Periodical reporting back to Norwegian oil and Gas and Norsk Industri



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Standardised Supply Chain Behaviour

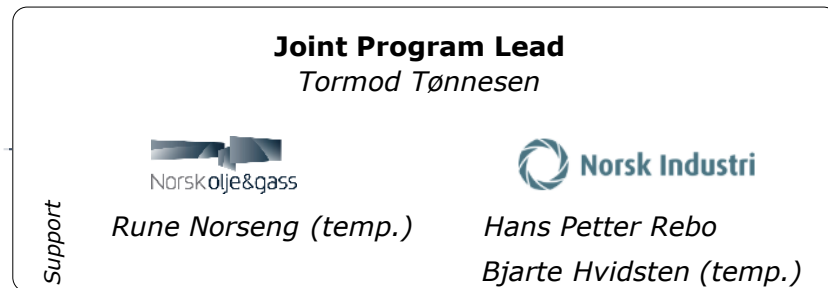
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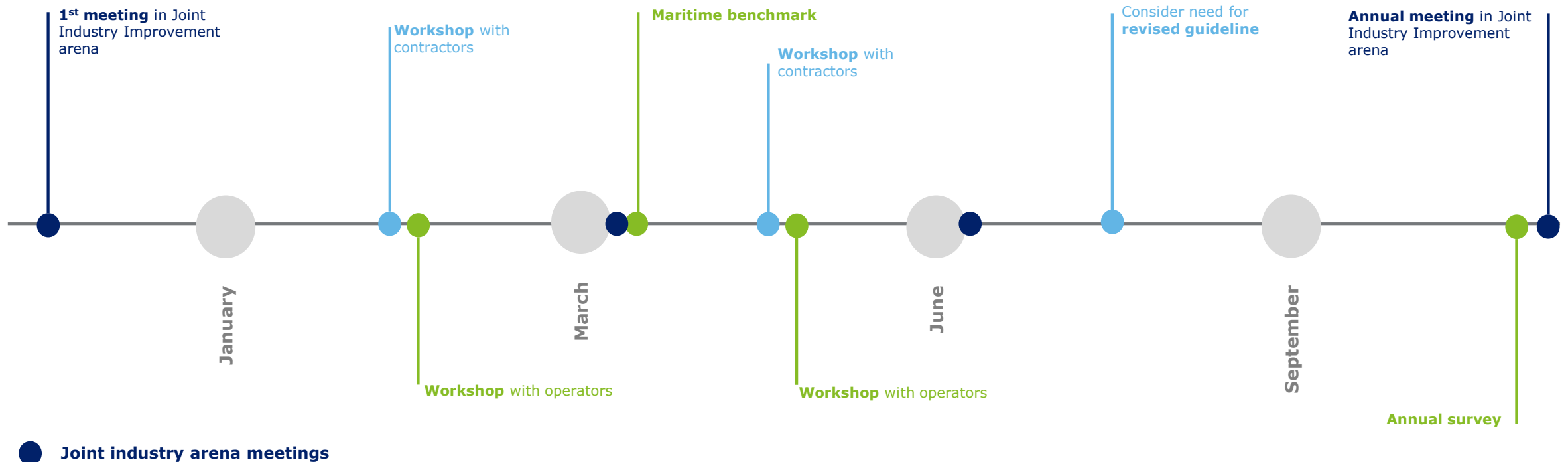
Key tasks - program lead:

- Manage implementation networks
- Communication and member support
- Operate KPI/Benchmark reporting
- Identify and drive recommended improvements
- Develop “win” cases from lighthouse projects
- Organise meetings in Joint Industry Improvement arena and follow-up actions
- Workshops with implementation network
- Facilitate sharing of learning



Tasks and plan – Program lead

- Key tasks - program lead:**
- Manage implementation networks
 - Communication and member support
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Norsk olje & gass

Operator Network



Knut Thorvaldsen



Tormod Tønnesen



Rune Norseng



Executive/ implementation sponsor



Steering committee



Key implementation contact

OKEA



Halvar Larsen



Elisabeth Sivertsen



Per Harald Kongelf



Rolf Nystein



Rune Hatteland



Arne Sigve Nylund



Kjetil Hove



Jack Otherhals (COO)
Christel Kvalvik (OTE)
Marianne Paulsen (PRD)
Jørgen Tjore (PSR)



Johan Mohr



Johan Mohr



Heidi Barlie



Odin Estensen



Erling Natvig



Erling Natvig



Jarle Haga



Jarle Haga



Halvor Rønneseth



Jo Chandler



Frode Lefdal



Bjarte Erikson Landa



Arne Bjørlo



Arne Bjørlo



Svein Torland




Børge Nerland






Børge Nerland






Kai Nærland




-  Runar Rugtvedt
-  Hans Petter Rebo
-  Bjarte Hvidsten

-  Company sponsor
-  Norsk Industri Oil & Gas representative
-  Key implementation contact



-  Borghild Lunde
-  Mads Andersen
-  Pål Storm Johannessen






-  Øystein Danielsen
-  Linda Aase
-  Truls Lien






-  Kjell Ove Lie
-  N/A
-  Thomas Johansen /
Rolv Martin Hagen



-  Vidar Haugland
-  Ståle Kyllingstad
-  Linda Larsen






-  Odd Olav Eide
-  Sturla Magnus
-  Sjur Hopland



-  Lars Sem
-  N/A
-  Jørn Sviland



-  Rune Lie
-  Jan Narvestad
-  Nils Andreas Stokke

