



The place to go for
oil and gas e-business standards

PIDX Supplier KPI Workgroup

Presenter : Daryl Fullerton (Project Chair)
Finding Petroleum – Optimal Supply Chain Event
Date :25th October 2011



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Agenda

- **Overview of PIDX**
- **Why a PIDX Supplier KPI Standard**
- **SPM / The Problem / Challenges**
- **The Solution**
- **Benefits of a Standard**
- **Development of an Standardised Supplier KPI Data Dictionary**
- **Update & Next Steps**
- **Q&A**

PIDX FACTS

- PIDX (Petroleum Industry Data Exchange) was formed in 1987 with a long term remit to develop and maintain standards to enable eCommerce (= eBusiness) in all its forms for the whole Oil & Gas industry.
- Initially developed Electronic Data Interchange (**EDI**), and moved in the 1990s to **XML** standards
- PIDX now has 14 business documents and business processes spanning the full Procure to Pay interaction between trading partners.
- PIDX spans the whole industry from well to filling station. There is a continuous effort in maintaining an up to date refined products code list
- PIDX has a product classification, schemas and taxonomy with over 4000 industry product and service noun/modifier templates, and a Data Dictionary with eBusiness terms.
- **There are no competing open standards to PIDX in Oil & Gas, we are the only ones !**



Areas where PIDX members work together to develop standards

Shape the future of eCommerce by participation in:

- Standards and Guidelines Committees
- Business Messages Workgroup
- Business Processes Workgroup
- Global Business Practices Workgroup
- Catalogue and Classification Workgroup
- Downstream Workgroups
- Regulatory Reporting Workgroup



PIDX has helped drive greater efficiency and profitability in member organizations like these, over our > 24 year history.



BakerHughes



Statoil



Chevron



HALLIBURTON



GE Oil & Gas

Some of our members

Supplier KPI Project Overview

Overview



The PIDX Supplier KPI Project focuses on the automated transmission of Supplier KPI data between Suppliers and Oil & Gas Operators.

Other project objectives are to compile an Industry Data Dictionary for **Standardization of KPI terminology** and definitions, e.g. NPT, TRIR etc

Focus: Upstream / Downstream Commenced: 2011 Participants :35
Contact: Daryl Fullerton dfullerton@pidx.org

Key Drivers – Why we Need

- Scorecard Overload
- Cost Savings Time = Money
- Better Data Accuracy
- Improved Data QA/QC
- Scorecard impact on working conditions.

Wins when Implemented

- Standardization on KPI Terminology
- Industry Recognized KPI's
- Significantly better QPR's
- Cost savings for Service Companies
- More Accurate Data for Operators

Key Performance Indicators and Role in SPM

- What are Supplier KPI's – Target Driven Metric Indicators that help you maximise savings, improve quality and reduce incidents with your organisations supplier base.
- **Common KPI Categories in may Include:**

Cost - Spend Overruns, Non Productive Time,

Delivery- Service Delivery, Product Delivery, On Time Logistics

HSE - Safety Record, Accidents, Spills, Near Misses

Quality - Job Quality, Product Quality

Risk - Late Delivery, Management, Staff Turnarounds, DIO.

Efficiency - Days 10k, NPT, Right First Time

Innovation - New Ideas, Creativity, Value Add



PIDX Standard for
Supplier Performance KPI Data

NPT ?

Challenges with Current Score Carding Process

Service Company Challenges

- Workload – (Millions of dollars in time completing operator scorecards)
- Different KPI's for different Operators
- Not all Operators are offering **360** degree feedback – DSO's, Relationship KPI's
- Incentives for beating KPI targets / Alignment with HSSE

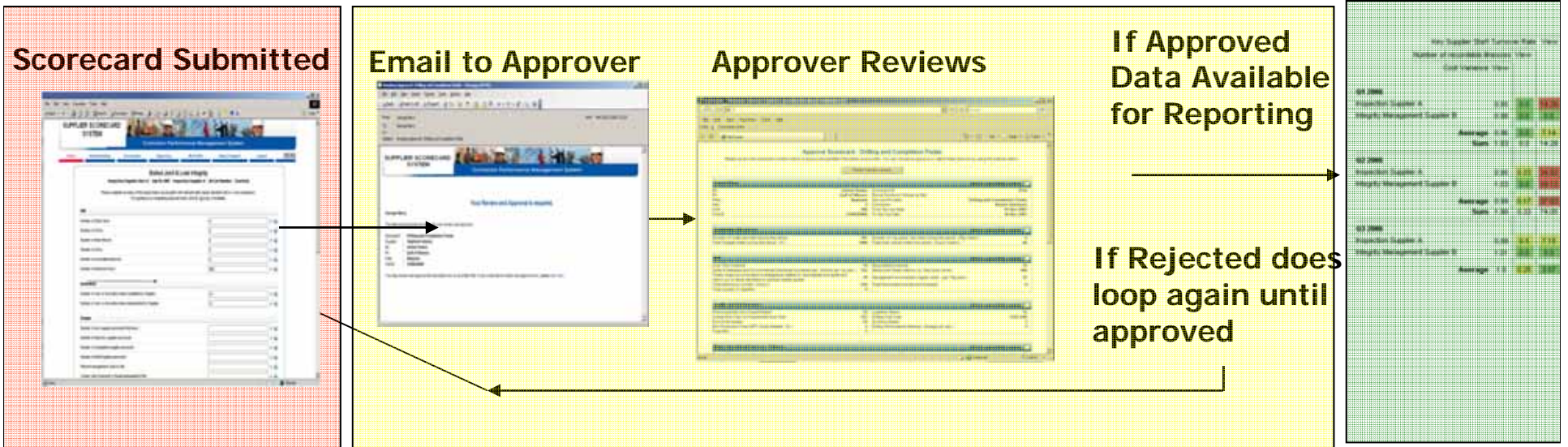
Operator Challenges

- Cost of KPI Management – Systems, Approvals, Report preparation, QPR's.
- Data Validation – is Service Co Data the same
- Scorecard Compliance – SC's only completing the scorecards for good jobs.
- Regional KPI Target Variations

Industry Challenges

- No Standardisation of KPI Terminology between Operators (diff naming conventions)
- Regional KPI targets differ, so comparing Service Co X v Z is not like with like.
- No Standard for Data Transmission
- No Automation of Data Transmission
- Incentives for one KPI may be at expense of another (NPT, Days10k, V HSSE KPI's)

Scorecard Process



Key Supplier Staff Turnover Rate [View](#)

Number of recordable illnesses [View](#)

Cost Variance [View](#)

Q4 2010

Supplier A
Supplier B

| | | | |
|----------------|------|-----|-------|
| | 0.95 | 0.0 | 14.29 |
| | 0.98 | 0.0 | 0.0 |
| Average | 0.96 | 0.0 | 7.14 |
| Sum | 1.93 | 0.0 | 14.29 |

Q1 2011

Supplier A
Supplier B

| | | | |
|----------------|------|------|-------|
| | 0.95 | 0.33 | 34.92 |
| | 1.03 | 0.0 | 39.13 |
| Average | 0.99 | 0.17 | 37.03 |
| Sum | 1.98 | 0.33 | 74.05 |

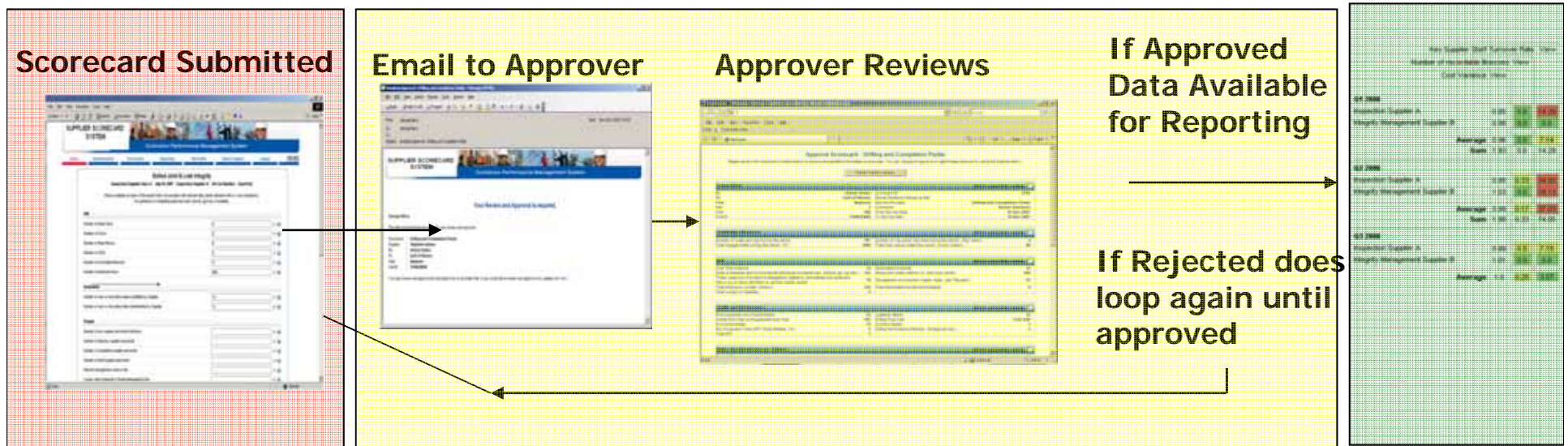
Q2 2011

Supplier A
Supplier B

| | | | |
|----------------|------|------|------|
| | 0.99 | 0.5 | 7.15 |
| | 1.01 | 0.0 | 0.0 |
| Average | 1.0 | 0.25 | 3.57 |

Problem - Scorecard Overload & Data Inconsistency

- Performance Scorecards sent to Supplier (Supplier Cost)
- Supplier completes – often at huge time cost and opportunity cost
- Operator approves and manages through reports and QPR's



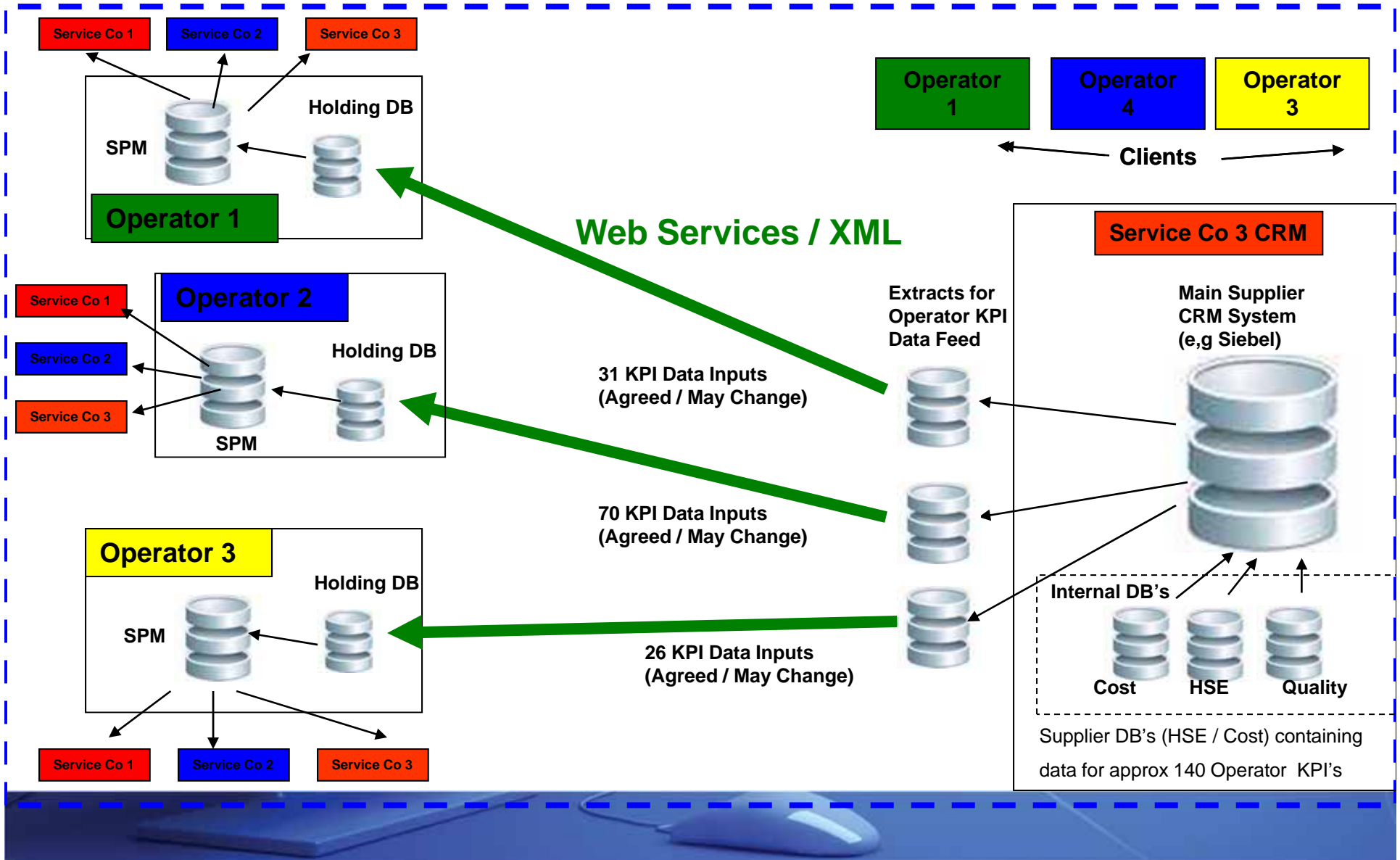
Hard work c70%
-Supplier in Most Cases

Mostly Reviews c20%
Operator Ticking Boxes
Automated Workflow Process

Automated Reports, QPR's
C 10% effort



Option 1 – Direct Web Services / XML Data Transmission



Benefits of PIDX Data Exchange Standard for Transmission of Supplier Performance Data

- Common Industry KPI Terminology
- More Productive QPR's
- Reduced Costs of Data entry
- Increased Data Accuracy
- Mitigation of Risk
- Increased Efficiencies
- Improved Data Security
- Better Scorecard Compliance
- Reduced Audit Costs
- Focus now on Performance Improvement V Time Consuming Data Entry
- Less Operator Supplier disputes over Data

Accomplishments to Date

Educating Operators / Service Companies

- Direct Meetings with Operators & Suppliers
- Workgroup Meetings – Defining KPI Data Dictionary
- PIDX Conferences Events
- Other Conferences
- PIDX Website / PIDX LinkedIn

Underway

- Leaflet on Workgroup for Inclusion in PIDX Pack
- Inclusion in PIDX 101
- General Survey of Interested created and feedback from some Operators.

Obstacles / Challenges

- Getting to the Right People / Responsibility
- Availability of People to engage 7 commit resources.
- Focus D& C / R&M Product Line / Category Line Challenge
- International Challenge - European Interest
- Resource Availability – Commitment required from Others.

Future Steps over Coming Year

Next 3 Months

Educate

- Continue to meet and educated additional interested parties on the benefits of Supplier KPI Standard

Develop

- Business Cases
- Draft Version of Supplier KPI Data Dictionary (SKPI-DD)

Recruit

Add New Members as appropriate

Meetings

Hold regular update meetings and conference calls as required.

2012 – First 6 Months

Build Develop Grow

- Confirm Participants
- Version 1 of SKPI-DD
- Finalize Surveys
- Issue Surveys
- Finalize Category Line Matrix
- Decide Category Line Focus based on participants.
- Present Survey Results

Design & Develop

- Develop and refine Ver 1 of Supplier KPI Data Dictionary for global and category specific D&C Product lines**

2012 – Second 6 Months

- Publish Ver1 of Supplier KPI Data Dictionary for Industry Review and Feedback.

- Engage / Survey with IT Vendors on current data transmission formats for Supplier KPI Data.

- Gauge Interest for Pilot

- Develop Excel Version of Supplier KPI Template for XML similar to RP76 HSE

- Plan for Data Collection Pilot between 2 Operators and 3 Suppliers

PIDX Standard for
Supplier Performance KPI Data

Q & A

Join the PIDX Supplier KPI Workgroup

Email: dfullerton@pidx.org