



Why listening to the Spice Girls will help E&P companies save money on ICT

A new approach to long-term ICT support



Tell me what you want, what you really really want...

When the Spice Girls launched their hit single “Wanna Be” in 1996, little did they know that almost a decade later the sage advice their lyrics extolled would resonate for oil and gas companies looking to create new long-term, sustainable ICT efficiencies in a cost-conscious climate.

Tell me what you want, what you really, really want

The words “tell me what you want, what you really, really want” have never been so important to the provision of ICT services in upstream oil and gas. As more companies turn to specialist ICT providers to outsource some, or all of their ICT in pursuit of better economies, serious credence should be given to the foursomes mantra when choosing how services are procured and managed with an extended planning horizon in mind.

Be an innovator, not a dictator

As an experienced service provider to the oil and gas industry, ISN has substantial knowledge of the challenges faced by operators and the need for outsourced services to closely meet the fast moving and potentially unpredictable nature of the industry.

The traditional approach to service provision is for the customer to mandate what is needed to support their business. Normally, this begins as a number of resources such as servicedesk personnel on site or engineers out in the field. Whilst this may give a perception of comfort and control, the approach has significant flaws. Firstly, arbitrarily deciding resource requirements in this way removes ownership of how the service could be delivered by the service provider. Secondly, basing service provision on personnel is a fairly crude instrument, especially as personnel deployed under contract are often seen simply as an extension of payroll resource.

Thus, when edicts to reduce costs are received, or requests to cut headcount are made, these personnel are factored into the decision. Unfortunately, when such decisions arrive, management is not suggesting technology should be cut by the same percentage. In fact, by and large technology deployed does not change, so the effect of the resource contraction is a poorer service, which does nothing to support on going business operations. Finally, punitive measures for non-achievement of SLA's are rarely enforced, leading to service companies being rewarded whether they do a good job or not. With little incentive for providers to innovate or improve quality, oil and gas companies are forced into accepting sub-standard services.

Instead, oil and gas companies should be approaching ICT service provision in a simple, yet wholly different way. Focusing on outcomes is a much more progressive way of arriving at a suitable service. We prefer to see this as a Managed Service as it is concerned with outputs of the services, whereas traditional outsourcing is preoccupied with prescriptive inputs, resources and manpower. Describing the outcomes of a particular service removes the connection between the cost of the people delivering the service and the fee's charged, as the value is in the outcome.

This gives the service provider ultimate freedom to decide how to deliver the service and ensure the desired outcomes are met at all times. Services are not built with dedicated resources, but equally never leave you feeling like those working with you do not belong to your business.

We have pioneered this approach to managed services with a number of our oil and gas customers. With a breadth of expertise across all ICT disciplines and an unrivalled depth of knowledge we have the capability to manage your entire infrastructure. And it's only by managing backend infrastructure that front end service outcomes can be assured.

Truly asking your business what it really, really wants from ICT is therefore the starting point. An honest appraisal of what you need could come in many forms. It might be what the service looks like to an end user, response times required, how VIP users are dealt with or any number of other critical metrics. With these outcomes in mind, the service is then built to ensure they are always achieved and visibility is shared in whichever way is most practical for your business, whether that's live feeds, periodic reports or any number of other methods.

An attitude shift is required too. Operating in this way is no longer a customer-supplier relationship. We liken the arrangement to a coalition, where both parties buy into the desired outcomes. You profit from knowing the service always performs in a way that is right for your business, whilst we profit from the freedom to innovate. It's a mutually beneficial approach that delivers some attractive advantages to forward-thinking companies.

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Nine benefits of an outcome-driven managed service

1. Simple pricing

The charging model ignores traditional day rates and is built on per-unit pricing. 'Per-unit' is a universal measure, which could just as easily refer to the servicedesk support provided to each user as to managing and monitoring a virtual machine in your datacentre. The per-unit charge will factor as much or as little support as is needed to meet the outcomes sought. Importantly, the cost is clear at all times regardless of how much of the service you are using.

2. Save money

With maximum freedom to choose how to meet the outcomes, clever innovation and smarter delivery practices mean attractive new price points can be met with our managed services, all without compromising on what's important to maintaining ICT for your business.

3. Control

Planning your outcomes puts you in complete control of what the service needs to achieve. Conversely, as service provider we are in control of meeting these outcomes in the best and most efficient way possible.

4. Elastic service

Being built on per-unit pricing and focussed exclusively on outcomes, the service can easily be scaled up and down as needed to match the climate of your business at any given moment. There is never any room for us to over or under service and have resources idle – the objective is to maximise our resources on your behalf at any given moment. Similarly, if costs ever need reducing the responsibility of doing this whilst maintaining service outcomes is ours. This is a level of flexibility which simply does not exist in the traditional outsource model.

5. Truly bespoke

Defined by outcomes, any managed service is by its very nature 100% bespoke. Of course, best practice is shared amongst our customers and where possible reference architecture designs recommended for any infrastructure changes, but every service is matched precisely to the outcomes sought.

6. Consistency of service

With the freedom to determine how the service is delivered and no necessities to provide dedicated resource, the outcome-driven model ensures consistency of service at all times. This is achieved through the rotation of personnel, which combats staff attrition and removes knowledge monopolies created when the same people are contracted to a customer. A wider number of resources across all functions means knowledge is shared amongst a larger group of people.

7. A local 'feel' delivered from a UK base

The mix of resources deployed through the service is orchestrated to give the impression of a local or internal experience. It is unlikely end-users would ever know the person they are speaking to is not on-premise and perhaps even in another city. You can be certain that first-line support is never offshore however, as all services are delivered out of the UK.

8. Always optimised

In an outcome-driven model we are incentivised for constant improvement. When your infrastructure goes wrong we need to resource a fix. Therefore, we are always trying to find new ways to make your ICT better and smarter, ultimately making efficiency savings on behalf of your business and ours. It is a symbiotic relationship where both customer and supplier prosper from the supplier doing a better job.

9. Liberate in-house personnel

Working in this way ensures the result is the business-as-usual tasks of managing and improving your core ICT services fall to a domain specialist partner, whilst in-house personnel are liberated to focus on the projects of strategic importance.

Intelligent sourcing

On the surface this approach might feel radical, but an open and objective mind will quickly identify that it overcomes all of the challenges of adapting to what are uncertain times in the oil and gas industry.

Oil and gas companies are awakening to a world where oil prices will remain depressed for some years to come, consequently putting pressure on all operational activities to cut costs. Likewise, mergers and acquisitions look set to dominate the industry news agenda as major players make moves and cause similar reverberations elsewhere in the industry. ICT will play a major role in future operational success, but will be increasingly exposed as expectations to do more with less are imposed and firms look more closely at divesting from non-core activities.

Making the function of ICT more agile and responsive will therefore be critical and engaging a specialist partner has many merits. However, continuing to embrace ICT outsourcing in the traditional way will seriously hamper this possibility.

For oil and gas companies keen to engage the long-term support of a partner in the delivery of ICT, it would be prudent to at least make comparison with an outcome-driven alternative before getting saddled with a potentially cumbersome outsourced arrangement.

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Why ISN?

Few companies have the experience and expertise of ISN in being able to genuinely deliver this type of approach.

Importantly, our skills span both ICT and Telecoms, enabling you to achieve one managed service that unifies your entire ICT function around the outcomes that matter most to your business.

What next?

If you are interested in exploring how you too could enjoy the benefits of an outcome-driven approach to managed services, please get in touch.

Get in Touch

ISN Solutions Ltd
ISN House
86-87 Campden Street
London W8 7EN

E info@isnsolutions.co.uk
T +44 20 7313 8300
F +44 20 7221 0328
W www.isnsolutions.co.uk

About ISN

ISN provide IT and communications infrastructure services the upstream oil & gas industry needs to do business effectively in any part of the world. Our clients are mainly independent oil & gas companies operating in the UK and overseas. ISN's expertise and understanding of the E&P sector help them to achieve operational and business goals enabling collaboration despite the challenges of working in a global industry.

