

CASE STUDY

National CSG to LNG Operator Transformation Programme



The Case - "Multiple Projects, but which projects deliver the critical business outcomes?"

The Australian CSG client needed to move the organisation from a set of single entities it operated under the one organisation into a cohesive high performing organisation for development of their well stock. This organisation needed to increase its well production from tens to hundreds per year.

The Leadership identified twenty two projects requiring completion in order to achieve the desired outcome on the SSO wells drilled a year. The problem was compounded by the fact that limited technical resources were available across the business and there was limited availability of skilled resources in the market place.

Elite's Solution

As part of the overall Transformation Program, an Elite Associate was involved in the analysis of the problem. The desired and essential business outcome, was to achieve a dramatic increase in gas well production through the full life cycle from reservoir identification, land access, gathering system implementation, well completion and gas flow to Field Compression Station.

Discovery

An assessment was carried out on the core needs of the business. Each General Manager had a core set of projects which they deemed to be vital for their success. When grouped together the six General Managers (GM) had approximately twenty two projects which need to be completed within a three year window.

Through workshops and 1:1 consultations it emerged that there was considerable overlap. Some projects were there to solve an immediate, short term issue however, this could be removed by another project later in the delivery cycle, thus rendering the first project obsolete.

The General Managers were also trying to resolve issues without have a consolidated view of the plan or the overall outcomes they wanted to achieve. The project delivery had been set up based on regional area requirements rather than achieving and improvement to core competencies and delivery of business outcomes.

Collaborative workshops highlighted significant overlap in projects. Consolidation resulted in a roadmap of six major programmes of work focusing on capability development underpinned by technical and people based solutions.

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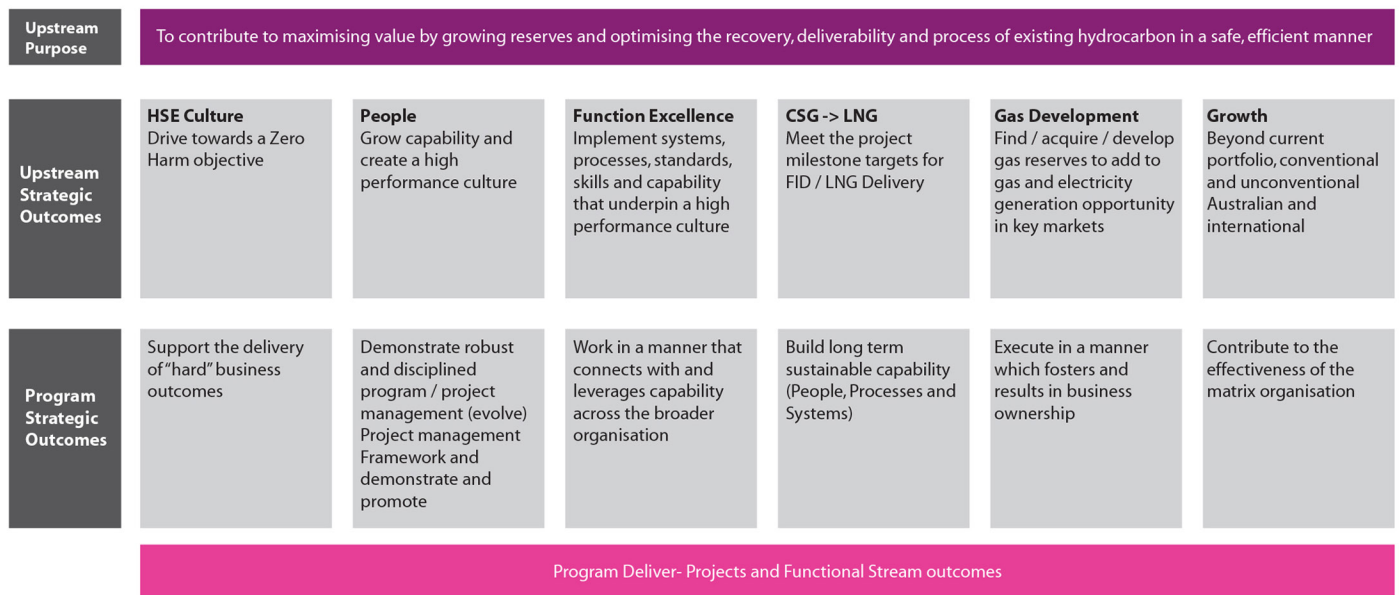
Resolution Plan

The Programme Team challenged the GM's to examine the issues as a collective. This was done offsite, over a three day period. The neutral setting removed the GM's from their daily challenges and distractions. The location and space enabled better collaboration and promoted a better environment for both groups to think differently.

When they reviewed the challenges as a collective and with the support of the Program Team, the overall team were able to redefine what success looked like for the business.

The key outcomes were:

1. A collective and aligned view on the key business outcomes that they would own and deliver
2. This included a consolidation of projects from 22 to 6 major. The projects required delivery of four functional competencies to achieve the joint business outcomes.
3. They established a common aim to grow and retain Functional capability in the business after the program had ended. Sustainability was essential to enable continued growth and development of the organisation.
4. A three year time horizon to achieve the business outcomes, with specific outcomes achieved each year which would culminate to all outcomes being achieved.



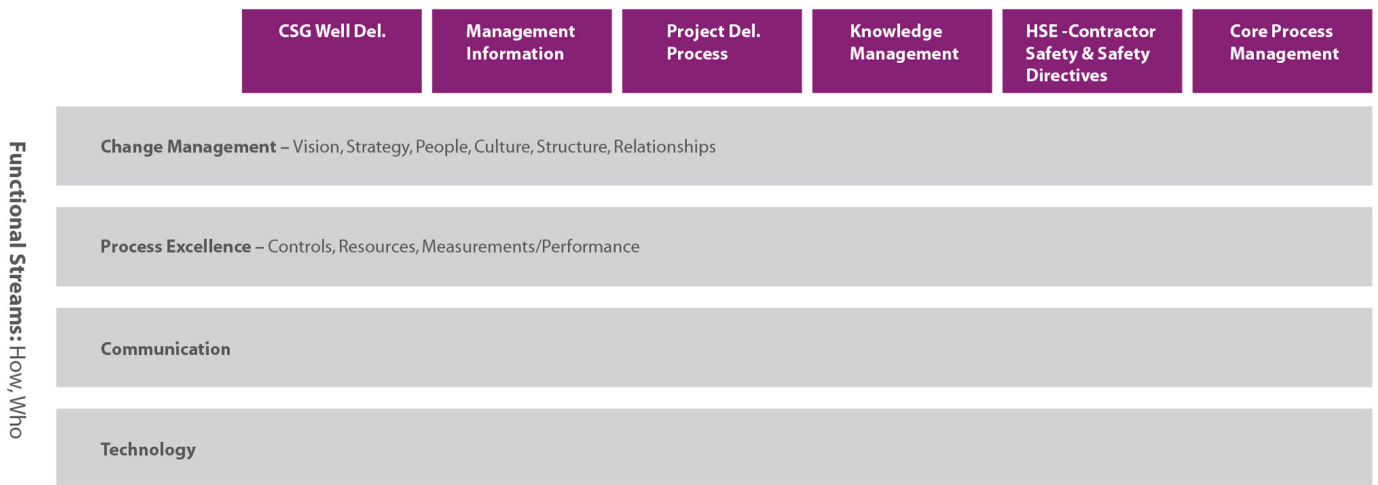
The Program was structured to support the goals outlined in the diagram above. The team had the responsibility to deliver and maximise the USD\$30M yearly investment over the three year program, a total fund of USD\$90M. The diagram on the following page demonstrates the project/ functional structure which was set up to achieve this goal.

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Projects: What, When



This structure was supported by a Program Office Organisation which provided governance and support to the projects and functions. This was underpinning the Program Steering Committee which provided the Leadership and direction as needed on the Program.

This Steering Committee included all the GM's and the CEO of the Upstream Organisation. As the Program involved considerable cultural and change management initiatives, the Steering Committee also had members from the wider company Group, to provide support in decision making.

