

BREAKING BAD HABITS

A NEW

ECOSYSTEM STRATEGY

IN OIL & GAS



Accenture Strategy research has found that although the oil and gas industry is emerging from its worst downturn, the industry still faces significant challenges, with unit cost—and profitability—per barrel being the most acute and widespread.

THE SOLUTION:

Create and sustain a supplier ecosystem that shares, innovates and competes together.

OIL AND GAS COMPANIES STRUGGLED BEFORE THE DOWNTURN



Over three-quarters of global oil and gas mega-projects **exceeded their budgets**, and over half **were late**.



For “Super Major” integrated oil companies, **returns on capital deteriorated** by half despite high oil prices.



In the North American shale industry, approximately 40% of completions **were uneconomic**.

THE SUPPLY CHAIN NEEDS DRAMATIC CHANGE TO DRIVE COMPETITIVENESS



Oil and gas companies need a fundamentally new way of working with their suppliers to begin tackling the unit cost dilemma.

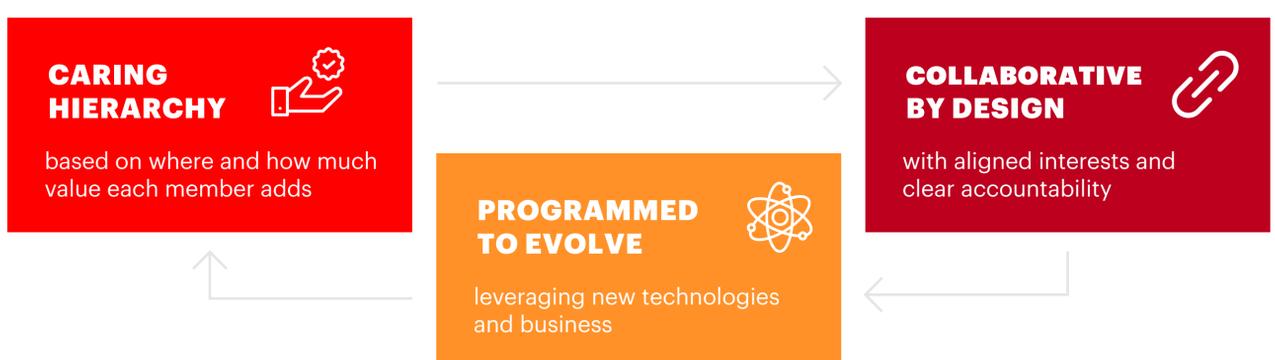
GONE: Relationships based on a “see-saw” of power driven by the commodity cycles, where oil and gas operators squeeze their suppliers for lower costs when oil prices drop, and suppliers boost their prices when oil prices rebound.

IN ITS PLACE: A collaborative ecosystem that shares, innovates and competes together.

A COLLABORATIVE ECOSYSTEM GENERATES PROGRESSIVELY HIGHER VALUE



SUCCESSFUL ECOSYSTEMS SHARE THREE COMMON CHARACTERISTICS



Learn more about the three stages of a collaborative ecosystem and how to succeed in the next oil and gas cycle with our full report: www.accenture.com/Oil-Gas-Ecosystem