Achieving High Performance in the Energy Industry
Did you know?

In 2002, Accenture founded the Accenture Global Energy Board, which consists of directors of leading automotive, chemicals, energy and utilities companies; external industry experts; and distinguished academics from around the world. This is a forum for discussing how the future of energy will evolve; the effect that possible changes in energy sources will have on society, politics, the economy and the environment; and the actions that companies need to take in response to these changes.
Accenture teams with oil and gas companies to deliver innovation.

Accenture helps organizations achieve high performance through a wide and differentiated range of services and solutions. We bring:

• Service offerings and the experience of more than 200,000 people in more than 120 countries.

• Deep industry knowledge through our work with more than 65 percent of the Fortune Global 500 energy companies.

• A dedicated technology research and development organization that has been turning technology innovation into business results for more than 20 years.

We invest in the energy industry, creating leading processes and a comprehensive model for growth.
Achieving high performance in energy

Dedicated Accenture consultants provide upstream, gas, trading, refining and marketing businesses services for energy companies around the world.

Our upstream consultants work with national oil companies (NOCs) and international oil companies (IOCs) on strategy, operations, information technology, geotechnical processing, enterprise solutions and the transformation of IT, human resources and finance.

Our gas team covers the processing and transport of natural gas by supermajors, energy merchants, pipeline operators, marketers and distributors, focusing on areas such as business capability development, liquefied natural gas commercial optimization, gas operations trading and risk management, and the management of capital projects.

Our downstream services help companies improve and manage trading, refining, wholesale and retail marketing, lubricants operations, plants, and the hydrocarbon supply chain.

The Accenture Energy industry group spans the entire energy value chain:

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Did you know?

Accenture’s Energy industry group is investing extensively in Accenture’s business process initiative. This initiative focuses on leading industry processes and a comprehensive model for the energy industry that spans all segments and includes industry-specific business processes, process flowcharts, key performance indicator (KPI) frameworks and capability assessment models.
What we offer

**Extensive research** exploring the energy industry, as well as ongoing High Performance Business research encompassing more than 6,000 companies worldwide.

**Industry offerings** for managing plants and automation, operating in emerging markets, and creating sustainable operations.

**Tools, methodologies and templates** for a consistent approach to development and delivery.

**Decades of experience** working with more than 150 leading oil and gas organizations in more than 30 countries around the world.

Business value

Gain insight into innovative approaches and solutions.

Benefit from focused solutions that address specific industry needs.

Scale fast with effective delivery that helps realize solid, sustainable business results.

Tap into a heritage of wide-ranging industry knowledge that takes full advantage of local and global skills.

Accenture has a presence in many key energy geographies
As part of this research initiative, Accenture studied energy companies and the attributes that are common among the high performers. To understand what sets them apart, we looked at a number of key elements of high performance for each company in our sample. In this way, we identified energy companies that have delivered solid shareholder returns, achieved superior growth, profitability and consistent earnings and are well positioned for the future.

High performers do not always boast the lowest global exploration, development or acquisition costs, yet they do manage to achieve very good returns on their investments. Success is based on the development of distinctive business models that allow them to excel. While their business models vary, high-performance businesses share six key attributes:

- A growth-focused strategy
- Mastery of niche technologies
- Operational excellence
- Strong, involved leadership
- Organizational effectiveness
- A culture geared to growth and high performance

Accenture offers a range of energy-specific solutions to help energy organizations address their key issues and achieve high performance. For example, we have developed comprehensive approaches to helping organizations manage plants and automation, enter and operate in emerging markets, create sustainable operations, develop business models for greenfield operations and maximize production.

Through a combination of innovative thinking and cutting-edge research, Accenture helps organizations understand the energy industry landscape—today and tomorrow—and the actions they need to take to survive and thrive.
Industry insight

Find out more about Accenture’s ongoing commitment to create innovative thinking and research in the energy industry through our thought leadership series:

• Accessing Oil and Gas Reserves: Rethinking Upstream Offers by International Oil Companies
• Betting on Science: Disruptive Technologies in Transport Fuels
• Biofuels Study Part II: Biofuels’ Time of Transition: Achieving High Performance in a World of Increasing Fuel Diversity
• Blending Biofuels in the European Union
• Charting Energy’s Future to 2015—Achieving High Performance in the Future Energy Landscape
• China and the U.S.: Implications of the Race to Disruptive Technologies
• Developing Local Content Programs: Insights for Global Players to Achieve High Performance in Today’s Competitive Energy Landscape
• Energy Industry Trends Review—Quarterly Publication
• Maintaining Refinery Assets for High Performance: An Accenture Point of View for the Downstream Refinery Sector
• Microsoft and Accenture Oil and Gas Industry Collaboration Survey 2010
• Non-Hydrocarbon Supply Chain for Oil and Gas Companies: Finding Opportunities for High Performance
• Real-Time S-Curves: Valuing Technology Uncertainty in Disruptive Transport Fuel Technologies
• Review of Carbon Accounting and Reporting in the Oil and Gas Industry
• Securing Your Talent Reserves: An Accenture Perspective on Building Strategic Talent Management Capabilities in the Energy Industry
• Six Questions Every Executive in the Energy Industry Should Ask About Cloud Computing
• The National Oil Company—Transforming the Competitive Landscape for Global Energy
• Understanding the Future Energy System

Services and solutions for energy

Backed by our industry research and experienced consultants, Accenture offers solutions and assets for core business needs and provides corporate services to ease functional and technology demands in the energy industry.

Core business services

Upstream
The day-to-day management of an oilfield services or energy business has grown increasingly challenging, and long-term planning requires acute vision, strategy and execution. Accenture works with international oil companies (IOCs) to design local content programs. We also help national oil companies (NOCs) develop strategies and development plans for meeting their commercial and social objectives. Accenture has developed integrated oilfield solutions, a suite of business processes and IT solutions that can help businesses maximize the efficiency and effectiveness of their upstream assets. We provide exploration and production services including: strategy, production operations, business process workflows, capital build programs and corporate services. In addition, with the demand to manage diverse, global oilfield operations efficiently, Accenture provides a suite of services that address cost-reduction initiatives for oilfield services companies.

Trading
New economic and commercial realities are forcing trading and risk management organizations to reexamine the conventional ways of doing business. To enhance their capabilities, companies will need to reassess their operational and financial performance, business strategies and incentives. And they will need to evaluate whether they are leveraging technology effectively in their trading operations. Accenture Commodity Trading and Risk Management Services provide a comprehensive range of solutions in building operational excellence by helping companies to:
• Improve the profitability of their trading operation and the integrated enterprise.
• Build effective information technology through better business value realized through IT and shaping strategies and growth.
• Evolve their trading capabilities.
• Modify business models.
• Execute new operations.

Refining
From crude purchase to product delivery, downstream companies are challenged by market fundamentals, global portfolio management and trading. More refining capacity is entering the market and demand is declining. Refiners need to navigate simple versus complex assets, the changing nature of their feedstock and constant price volatility. Accenture provides services to the downstream industry ranging from strategy, manufacturing, plant operations, logistics, business processes, capital build programs and corporate services. Our solutions, developed specifically for refiners, address areas such as:
• Environmental health and safety.
• Performance management.
• Plant reliability and maintenance.
• Plant-to-business integration using automation and industrial IT.
• Predictive monitoring.
• Production optimization.
• Supply chain optimization.
• Integrated logistics planning.
• Managed movement planning and scheduling.

Marketing businesses
In retail, the cost of maintaining an extended capital base has forced many companies to radically reduce their market portfolio and consolidate their business model. Similarly in lubricants and wholesale business consolidation, standardization and simplification have been the dominant mantras for management. Accenture helps marketing businesses with the complexity of the retail hydrocarbon value chain, managing business-to-business customer relationships and pricing optimization. We offer a wide range of assets that can help improve the performance of retail business including retail business process model, fuel/convenience capability diagnostic, space optimization, price optimization, supply chain assessment tool, network assessment tools and site system-specific implementation methodologies.
Core business solutions
Accenture Plant and Automation Solutions is a suite of offerings designed for asset-intensive companies. Energy organizations are striving for market-leading asset availability, responsible operations, compliance and controls, capital projects strategy and regional asset enhancement.

Accenture Plant and Automation Solutions address engineering, project and data management, core plant operations, environmental, health and safety, enabling services, and industrial and automation capabilities. We combine our extensive industry experience with our innovative, vendor-neutral solutions to help build and operate plants and assets in a reliable, safe and cost-effective manner.

Case study: Increasing upstream operational efficiency

The Challenge
A major national oil company (NOC) is collaborating with Accenture to implement a companywide, integrated digital field management program aimed to improve production, reduce costs, increase oil recovery and improve the safety of operations. Joint project teams are implementing a number of initiatives at two of the NOC’s sites: an onshore brownfield and an offshore deepwater greenfield.

Efforts at the onshore site are focused on developing and implementing an integrated digital field management solution to support operations. Accenture is developing a number of technical components, as well as designing and implementing three collaborative environments, redesigning key business processes, and conducting change management activities to help facilitate the move to the new approach. Work at the offshore site involves implementing an integrated software planning solution to help the NOC improve offshore services planning. That program is expanding to include the development and implementation of a collaborative solution integrating real-time production operations information, processes and technology.

High Performance Delivered
The NOC expects to improve production activities by enhancing collaboration between onshore and offshore teams and strengthening communications, both internally and with service providers. The program is also designed to improve the NOC’s ability to monitor production performance and reduce the need for rework across production-related areas. Most important, the new environment will give decision makers the integrated, accurate information they need to identify, analyze and act on problems and opportunities.
The green agenda

Accenture offers insights to help the energy industry tackle the demands of a green agenda.

The energy industry is entering a new period. Whether an organization’s operations remain in the traditional oil and gas space, are moving into clean energy or have always operated in the clean energy space, the business will need to be optimally positioned for a low-carbon future.

Accenture believes there are three areas energy organizations need to address in managing the sustainability agenda:

**Decarbonizing energy**
Climate change regulations will soon be enacted to reduce carbon emissions. Traditional oil and gas companies have enacted carbon-reduction measures such as cogeneration, carbon capture and storage, flare reduction, and energy efficiency. Accenture surveys on the impact and the role of policy in climate change shed light on how businesses can meet this complex and fluid challenge.

**Securing affordable hydrocarbons**
Companies are facing intense competition for upstream access in emerging markets. Accessing reserves in more stable economies is increasingly difficult. As a result, the focus has shifted to developing countries that are less geopolitically stable but have considerable hydrocarbon potential. Accenture guides energy players as they consider employing a country-facing strategy and juggle the competitive demands of international oil companies and national oil companies.

**Clean energy**
Renewable energies differ in levels of maturity and market penetration. Some technologies, such as hydropower and sugarcane ethanol are recognized as more mature, yet clean energy businesses will face different challenges to achieve high performance. Accenture combines strategic, operational and functional solutions to help energy operations gain in growth and efficiency.
Services and solutions for energy: At a glance

Core business services:
- Upstream
- Gas
- Trading
- Refining
- Marketing businesses

Corporate services:
- Enterprise solutions
- Human resources
- Finance
- Non-hydrocarbon supply chain
- Information technology
- Outsourcing and delivery services
Corporate services
We provide oil and gas companies with capabilities to manage and improve enterprise-wide corporate functions so they can focus on their core businesses.

Enterprise solutions
Drawing on our industry knowledge and years of experience implementing enterprise resource planning systems, we developed the Accenture Advanced Enterprise Solution for Energy, an innovative, comprehensive and proven enterprise resource planning (ERP) solution tailored to the energy industry. The solution can be applied in various types of ERP projects such as:
• Assessment and selection.
• New implementation.
• Consolidation, separation or optimization.
• Upgrades.
• Functional extension.
• Application and management outsourcing.
• Turnkey solutions.

Human resources
With increasing economic pressures and a scarcity of talent, there has been renewed attention on human resources (HR). The focus is on helping ensure HR is able to build organizational capabilities that deliver results through the effective, efficient delivery of services. Accenture helps organizations manage their human capital to improve overall workforce and business performance. We offer services to address organizational effectiveness, change management, talent management and HR transformation.

Finance
With capital in short supply, energy organizations are seeking out strategic cost reductions. Accenture offers market-tested solutions, services and assets in corporate finance, finance operations, enterprise performance management and risk management.

We help energy companies perform benchmarking and self-assessment to compare themselves with others. We help identify value in organizations and seek out opportunities for cost reduction. We move finance beyond transaction and reporting to make finance a strategic partner in making plans for the overall business.

Non-hydrocarbon supply chain
There are areas in the non-hydrocarbon supply chain where oil and gas companies can drive improvements. As Accenture research shows, there is a link between supply chain excellence and financial results. Accenture, Stanford and INSEAD analyzed financial data from more than 600 global companies and found that supply chain excellence is rewarded. Supply chain leaders (companies with frequent inventory turns, low cost of goods sold as a percent of revenue, and high return on assets) were shown to have a market capitalization compound annual growth rate (CAGR) between 7 and 26 percentage points higher than their industry averages. Accenture recommends that energy companies: Conduct effective demand planning; manage post-contract delivery; plan and manage the movement of materials; measure and manage performance and nurture supply chain talent.

Information technology
Accenture has a technology vision that incorporates our approach toward Internet computing, data insights and mobile devices. We embrace new and emerging technologies such as cloud computing and software-as-a-service, and we adopt an integrated approach to the four “Cs” that govern the way we live, work and play—communication, collaboration, communities and content. Accenture draws on a strong business-led approach to technology. We collaborate with energy organizations to realize technology transformation through:

Strategy and transformation
Aligning IT and business strategies, bringing a boardroom perspective to IT.
Enterprise architecture
Defining the IT vision, principles, standards and road map that guide organizations to select, deploy, run and refresh their core technologies.
Data center technology
and operations
Helping organizations transform all aspects of data center infrastructure and operations.
Network technology
Reinvigorating existing network infrastructures to be more cost-effective, scalable, flexible, secure, and reliable.
Workplace technology
and collaboration
Helping organizations shape an optimized workplace and implement the work processes and IT infrastructure.
Security
Assisting organizations to secure their data, protect identities and build trusted relationships with their customers, constituents and partners.
Application renewal
Allowing organizations to harvest the value of existing applications to achieve high performance.
Performance engineering
Helping organizations assess, diagnose and engineer performance improvements into their applications, application development and testing processes.

Accenture uses our technological knowledge and skill to address the needs of our own organization—we are currently implementing an innovative multipronged initiative, Accenture Collaboration 2.0, that makes “anyone, anyplace, anytime” access and communication a reality across the Accenture global workforce, helping Accenture professionals work smarter and deliver more effectively than ever before.
Outsourcing and delivery services
Backed by a global delivery network, Accenture offers leading outsourcing capabilities:

**Application outsourcing**
Providing a flexible spectrum of a market-leading application outsourcing services—from strategic IT consulting to systems integration to outsourcing—across the globe.

**Infrastructure outsourcing**
Assisting organizations to create a more cost-effective and responsive IT infrastructure which promotes service stability and reliability, and facilitates rapid response to changing market and business conditions.

**Business process outsourcing**
Helping organizations to do more with less by holding down overall operational costs while making selective investments that will fuel future success.

**Bundled outsourcing**
Outsourcing several back-office functions to one provider can help companies in pursuit of high performance reduce cost and management resources while acquiring flexibility and capability for growth.

The Accenture Global Delivery Network
The Accenture Global Delivery Network is instrumental in delivering faster, higher-quality services with less risk and more predictability. Our footprint includes more than 50 delivery centers in over 40 carefully-chosen locations across the globe staffed by a team who form a network of more than 120,000 highly skilled professionals. Each one is equipped with advanced information technology and an extremely secure infrastructure.

Accenture Delivery Centers in India

The Accenture Delivery Centers in India provide a comprehensive range of technology capabilities and business process outsourcing (BPO) solutions, and they are a strategic cornerstone of the Accenture Global Delivery Network.

Our India workforce includes 56,000 employees working in delivery centers in Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune. Through this network, we offer world-class services for organizations seeking to leverage the benefits of offshore outsourcing. The Delivery Centers in India are uniquely positioned to leverage Accenture’s industry knowledge, functional capabilities, alliances and technology to produce tangible business results that can help you achieve higher levels of performance. Our technology and business process consultants can take on the most complex and demanding projects. The size and flexibility of the Accenture India team enables us to ramp up quickly for large, time-critical programs.

A key element in our India network is Accenture’s Energy Innovation Hub, which is based in our delivery center in Bangalore. The Energy Innovation Hub includes consultants with industry, functional and technology knowledge who draw on Accenture’s energy industry experience to develop and expand the knowledge, assets, tools and templates that we use in our work with oil and gas clients. Overall, the center acts as a focal point for not only providing service to the industry, but also for exploring new ideas and approaches that help energy companies become high-performance businesses.
Our goal is to create long-term relationships working cost effectively to maintain, adapt and optimize our solutions together. Our alliance network includes more than 150 market leaders and innovators. This provides our clients with specialized skills and tailored solutions for each client’s needs. Alliances help Accenture deliver innovative solutions more quickly than any company could do alone.

For instance, we collaborate with Oracle, SAP and Microsoft on industry solutions and engage in new technology developments before they are widely available in the marketplace. Our alliance and relationship partners include:

- Aspen Technology
- Business Objects, a SAP company
- Cisco Systems
- Dell
- EMC
- Hewlett-Packard
- Informatica
- Microsoft
- Oracle
- OSIsoft
- SAP
- SmartSignal
- Sun Microsystems
- Vendavo

To review a complete list of Accenture’s alliance partners, visit www.accenture.com/alliances.
Did you know?
Accenture was ranked No. 1 on the International Association of Outsourcing Professionals’ (IAOP) 2010 Global Outsourcing 100 list for the third consecutive year (2010, 2009, 2008).
Case study: Assessing low-cost country sourcing

The Challenge
A major energy company saw its costs rising on a number of fronts and decided to take a close look at the potential for increased global sourcing. The company asked Accenture to assist it in determining what sourcing in low-cost countries (LCC) could mean for the company, and how to take advantage of sourcing opportunities. Accenture developed an LCC sourcing strategy and a plan for implementing that strategy. The effort drew on specialists in China, Eastern Europe, India, Latin America and Russia and examined sourcing possibilities across the company’s upstream, downstream and petrochemicals business.

High Performance Delivered
The assessment covered the whole procurement spend of the company (more than $25 billion), and identified significant spending that was suitable for LCC sourcing, providing an opportunity for significant potential savings. For each of the sourcing activities, Accenture teams in LCCs assessed local supplier market readiness, while the Accenture European team assessed the company’s implementation ability and the potential savings. The project team also developed a benchmark review of LCC sourcing practices in the oil and gas industry. In the end, each of the three business segments had a clear plan for moving ahead and realizing increased savings, and all three are now pursuing those initiatives.
The Challenge
Facing increased business complexity, a growing number of employees and tighter markets for professionals, a major oil company collaborated with Accenture to establish a world-class approach to shared services. Focusing on five functional back-office areas—human resources, finance, procurement, information technology and facilities management—the company worked with Accenture to transform people, processes and technology in those areas.

Accenture assembled a global team of consultants from more than 10 countries, and worked with the oil company to thoroughly define and standardize services and optimize the balance between business needs and the complexity of the shared services operations.

High Performance Delivered
The newly established global shared services center is applying approximately 40 leading practice-based services that are generating a 15 percent reduction in costs. In addition, the shared services approach is giving the company truly global business services supporting every office throughout the world, leading-edge technology that provides the foundation for superior process support and the optimized use of people in an extremely competitive market for professionals.

Overall, the shared services organization is expected to deliver 5 to 7 percent annual improvement—and the optimized back-office functions are expected to enable high performance in other areas of the business to drive increased competitiveness.
Our commitment to our people

Our most important asset is our people. The global makeup of our workforce enables us to serve our diverse and global client base. The continued development of our employees is part of our heritage. Our people receive significant and focused technical, functional, industry, managerial and leadership skill development and training appropriate for their roles and levels throughout their careers.

We see career development as essential for the success of our clients and ourselves
We run a comprehensive performance management system and reward both individual performance and teamwork to strengthen our employees' commitment to our clients and our values.

We operate according to strong values
Six core values guide our decision making as well as our interactions with clients and our colleagues. These simple, yet powerful, values—Stewardship, Best People, Client Value Creation, One Global Network, Respect for the Individual and Integrity—complement Accenture's Code of Business Ethics and shape the culture and character of our company.

Did you know?
Accenture spent approximately $600 million in professional development of its employees in fiscal year 2010.

Our commitment to the community

In recent years a broad spectrum of critical issues, from the global economic crisis and climate change to the needs of disadvantaged individuals and communities, has challenged the character of organizations. Such challenges offer an opportunity for businesses, such as Accenture, to demonstrate courage, values and leadership.

We seek out sustainability
We work with companies and public-service organizations around the globe to integrate sustainability approaches into their business strategies, operating models and value chains.

We are using the latest "green" building techniques in our offices around the world; for example, we have the highest rating, "6 Green Star" for our Sydney office. We are recognized for our green efforts, such as being named one of the World’s Most Ethical Companies for the third consecutive year in 2010 by the Ethisphere Institute.

We build skills for success
Our corporate citizenship activities—including time, skills and financial giving—support a global focus known as Skills to Succeed. This initiative educates people around the world, building skills that enable them to participate and contribute to the economy.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 211,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.

Contact us

To learn more about how Accenture can help your energy company on its journey to high performance, visit us at www.accenture.com or call us at +1 312 737 7909, or toll-free in the United States and Canada at +1 888 688 7909.