ENERGY COMPANY OF THE FUTURE: RETHINK EVERYTHING

The energy industry is facing a perfect storm.

The rise of electric vehicles, new emissions regulations and innovative utility models are creating a compression on hydrocarbon demand.

In addition, the rise of renewable energy sources, the abundance of shale and the changing geopolitical equation is disrupting the supply of hydrocarbons. The compounded effect of this demand compression and supply disruption is forcing the energy industry into a new paradigm.

The Energy industry needs to become more agile and adaptable, connected and collaborative. This will require a fundamental change in the way companies approach their business and mindset.

To succeed in this new paradigm, the energy industry will need to rethink where to play and how to win.

Oil and Gas, by virtue, is more than 90% of the transportation business and more than 30% of power generation. Oil and Gas need to lead the transition.

Digital is seen as a key enabler that opens up entirely new opportunities for energy companies to transform their existing operating models.

Yet, the industry is lagging in the adoption and maturity of digital technologies.

Oil & Gas has always been at the forefront of surface and subsurface technologies. This relentless focus on narrow domain expertise that has made the industry thrive could now become its Achilles heel.

Why? Contrary to traditional surface and subsurface solutions, digital technologies only deliver exponential value when thought of as part of a larger operating model revamp.

Implementing digital as a point solution may deliver incremental value. But when used to rethink the company’s inner constructs and how the company interacts with its customers, the results can deliver a step change in the company’s performance.

Why not change the way we interact with our customers and the vendor ecosystem? Perhaps integrated customer experiences, AI and smart automation: like the re-imagination of retail by online companies leading the adoption of digital technologies.
Digital can break down silos by democratizing information across the value chain. Trusting analytics to make “unrisked” decisions that traditionally require several layers of approval. This represents a major shift for today’s industry mindset.

This is not an easy transition, but one that needs to be made.

In this fluid and volatile market, oil and gas companies will have to develop tailored operating models that leverage digital technologies to drastically improve their cost structure and decision cycle time.

The Energy Company of the future is about revamping everything...utilizing digital technologies to make the model agile, adaptable, connected and collaborative...but most importantly to ensure survival...long into the future.