



# BPM in Oil, Gas, and Energy

Business Process Management isn't a unique ideology to any organization. But the problems that it can help solve are. With some of the processes that must be managed within the Oil, Gas, and Energy sectors, you can have some special Regulations, Risks, and Controls built into your processes that may seem like roadblocks to your ability to improve or even manage your processes. By documenting, categorizing, and modeling relationships with processes, inherent roadblocks can be removed and the management and resources needed for key processes within the sector can be simplified.

Example: The organization that manages the drilling rigs within an Oil and Gas company solved the following problem. The Companies Authorization for Expenditure projects (AFE's) were being managed manually by passing around spreadsheets among several functional areas. The various spreadsheets contained specific parts of the AFE and it was very difficult to keep all the pieces together since the data was owned by seven different functional areas - including both regional and corporate organizations. By documenting the processes in place, they were quickly able to see some of the serious challenges in managing these AFE's. The project team could then identify the major issues and opportunities for improvement in the process and came up with Process Redesign Goals that would achieve the following:

- Systematically move the AFE projects through specific processes depending on the type of AFE.
- Enable data entry by multiple functional areas simultaneously with the ability to submit for technical review.
- Enable technical reviews of the data, with the ability to send back the AFE (in case something was missing or incorrect).
- Enable financial approvals of the budgeted amounts for the capital expenditure projects described in the AFE (e.g., drill, complete, or equip a new well).
- Provide a consolidated view of all the AFE data at any point in the process, including the AFE status, the stage in the process that the AFE was currently in, and the person(s) who had the AFE at any point in the process.
- Interface the approved budget amounts of the capital expenditure projects to SAP.

After the initial process documentation sessions, and the project requirements were created, they then were able to settle on an approach to solve the problem. Through the use of process modeling, they were able to define the ideal solution for the AFE Process. They then used that documented process to align with a sophisticated BPM Platform to automate the different AFE processes. This allowed the customer to achieve the desired objectives mentioned above and achieve process efficiencies and defect free rates that were previously thought impossible to achieve do to the highly manual and built in legacy processes that had always been around.

This is just an example of one of many solutions that have worked in this industry to help solve a multitude of problems through the use of BPM. What can start with a simple layout of the process to understand its true complexity, can turn into a valuable transformation tool that can aide in the advancement of your business.