

Mari Petroleum Company Limited

Fit for purpose



“The MCS installed by Renoir has given me greater visibility of both our overall performance and the departments within my area.”

GM HR

Key Results

65% reduction in well downtime

More than 50% reduction in PR to PO duration

Turned around seismic forecast from several months delay to on time completion

Mari Petroleum Company Limited (MPCL), formerly Mari Gas, is one of Pakistan’s largest hydrocarbons exploration and production companies, operating the country’s second biggest gas reservoir, the Mari Field. MPCL is primarily engaged in exploration, development and production of natural gas, crude oil, condensate and natural gas liquids. The Mari Field accounts for more than 90% of MPCL’s revenues and has its operational centre in Sindh. The largest single shareholder in MPCL is the Fauji Foundation, the army’s pension fund.

PROJECT GENESIS

MPCL’s business model was changing from ‘cost-plus’ to an open market one. One of the biggest impacts of the change was the need for MPCL to fund all exploration and development activities – and to do this required improved margins, and that meant more efficient and effective ways of working.

ANALYSIS

Renoir Consulting was engaged to analyse MPCL’s business processes and management systems in the following areas:

- New well management process.
- Seismic survey acquisition and processing.
- Operation and maintenance of production fields.
- Supply Chain.
- Business planning process.

A two week analysis concluded there were opportunities for improving operational planning and execution processes, leading to more efficient and effective delivery of its products and services.

Studies, observations, data collection and assessment revealed underlying weaknesses that had an adverse effect on progress, both in field operations and at the head office. This resulted in cost over-runs and/or delayed revenues. The detailed analysis also revealed that these issues could be significantly alleviated by:

Better management control practices through a better Management control System (MCS)

- Improving the utilisation of key performance indicators, and implementing performance review mechanisms.
- Introducing formal management tools that systematically flag off-schedule conditions and plan attainment, along with processes to assess root causes and mitigation plans on a short interval basis.
- Enhancing utilisation of active management practices at practically every management level through training, practical application and continuous coaching.

World Leaders in Sustainable Change

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“The Management Report takes you through the process from PO to delivery in seconds - it’s extremely effective and has reduced delays significantly.”

Manager Procurement

“Had it not been for Renoir, we would not have implemented the annual procurement plan or the management report ”

GM Procurement

“The New Well Tracker made our job much easier... we now manage to control the operational activities...”

Drilling Engineer

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 300 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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Processes

- Introducing accountability for operational processes effectiveness through emphasis and increasing visibility of plan achievement at key process steps.
- Introducing measures and controls along the key process steps along with corrective action process.

Structure

- Adding structure and formalising communication and priority setting.
- Clarifying roles, responsibilities and accountabilities.

As a result of the above, an implementation Project was agreed with defined governance, a detailed approach and a clear set of deliverables.

DELIVERABLES

- Create a fit-for-purpose MCS that would allow MPCL to gain predictability and consistency in managing new wells, seismic, reservoir, operations, maintenance, supply chain and business planning.
- Develop and implement New Well project management to reduce drilling cycle times.
- Improve production management processes.
- Increase supply chain management efficiency.
- Improve strategy and business planning processes.
- Continuous improvement training and coaching of Task Force members and key people.

PROJECT APPROACH

The improvement program was a 30 week engagement utilising Renoir’s Focus Process®. A joint team was assembled, consisting of a client task force and Renoir consultants. This Team served Management action teams to identify issues and root causes, assess impact, develop solutions and implement these solutions. Extensive management and supervisory training, along with ongoing follow up, coaching, and positive reinforcement continued throughout the duration of the engagement.

A steering group, consisting of Renoir and client senior management was formed to oversee progress. Monthly steering group meetings ensured that the project remained on track, achieved its objectives and all changes and system elements involved the stakeholders, to ensure ownership and sustainability.

During the Definition Stage of the Focus Process®, the joint team identified that many of the root causes for low productivity arose from gaps in management controls, coupled with a lack of operational planning and quantitative, real time progress measures. A daily measurement system of work was implemented, which, when completed by each supervisor, enabled a baseline to be set, tracked for progress, and objectively assessed for results and issue resolution.

Significant time was invested in training management and supervisory levels, to ensure understanding of new and enhanced management controls and techniques and importantly, institutionalize the desired behaviors on site. All elements were installed with detailed follow-up to assess immediate results and preparedness for sustainability of the full construction project cycle.

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