



A Blessing In Disguise

THE DRILLING GAME IS A SMALL WORLD, AND WE'RE ON GOOD TERMS WITH MANY SEASONED EXECUTIVES. BUT ON THIS OCCASION, OUR REPUTATION WAS MUD EVEN BEFORE WE WERE CALLED.



BY JUAN HORRILLO
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Relationships are key in our business, and we had a particularly good one with one of our drilling contractor clients. Or so we thought. We got an angry email from an executive we'd worked with on many successful consulting assignments over the years.

In no uncertain terms, he asked why we'd failed to deliver a project to install a flare boom on one of their operational deepwater drillships in Brazil. The offshore installation was a tricky job and vital for safety. But, our client wrote, the preparations lacked rigour and his client (the field operator) had lost faith in his company to safely deliver the project. And he had lost faith in us.

His anger was understandable, but misdirected. None of our team was currently assigned to their projects in Brazil. We picked up the phone right away and broke the news. (We had, in fact, quoted for the work the year before but had been deemed too expensive for this kind of project. In the heat of the moment, the executive mistakenly assumed it was us).

The risk of massive losses can cloud anyone's memory, though, so we had no hard feelings. Still, it was no laughing matter either; our client was in crisis mode.

Important relationships had broken down, and the situation was grave. The contractor they'd chosen had failed to account for some essential details. The field operator, deeming the project unsafe to proceed, was considering taking the rig off contract until the flare boom was installed and operational.

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While the contractor was duly fired, our client had no strategy to recover the situation and their reputation for safe and professional operations had been severely dented. Piling on the pressure was the uncertainty over the rig's status, then earning \$550K per day. If it went 'off hire', our client had no idea how long it might take to get the rig 'drill ready' again. Losses could be huge.

Fortunately, our client had inadvertently wasted no time in calling us. (It was to the advantage of both of us that we had been 'top of mind').

We scrambled one of our advisors to Brazil to assess the situation. At the same time we began assembling a project recovery team to complete the installation of the flare boom.

Within 24 hours, our advisor was on the ground cooling the situation and preparing for our recovery team's arrival. Within ten days we had fully manned up, including a construction manager fluent in Portuguese.

Crucially for our client, Epeus and our abilities were known to the field operator. Our rapid response was enough to reassure them that the project would be completed in a safe and controlled manner. Relationships were repaired, the project recovered, and the flare boom safely installed four weeks ahead of the field operator's original schedule. The rig stayed on contract earning its day rate throughout.

So what?

Our wider industry reputation and swift response prevented a potential loss for our client in excess of \$50 million, while our completion ahead of schedule saved them around \$1.5 million in direct costs, more than covering our 'project rescue' fee. We also got an apology from our client for thinking it was us who had failed.