



# Pioneers and Powder Kegs

A YOUNG EXPLORATION COMPANY WAS BATTLING DISGRUNTLED INVESTORS, WORRIED MANAGERS AND HIGH STAKES. NEEDING RESULTS IN A HURRY, THEY CALLED US.



BY JUAN HORRILLO  
PROJECT MANAGEMENT ADVISOR

After a high-pressure first year in business, the CEO of a young and pioneering exploration company called us with a crisis on his hands. Things had gone awry with their first well-construction project. Though construction had been technically successful, the project had overrun significantly in both time and money, and one of its two equity investors—which had limited experience of oil and gas operations—was threatening to pull the plug altogether. Team morale was at a low ebb, to say the least.

Compounding this was a new deal with a major oil company for a significant stake in the field as well as a wider industry downturn, which had stifled the contractor talent pool and intensified scrutiny on the remaining few projects in the region. Our client was under heightened pressure to reassure its partner that the approach was valid and its plans viable.

Stakes were high for both the company and the management team. What should have been a relatively low-risk and straightforward drilling project

had turned into a potential powder keg, threatening to damage the company's reputation, investor relations, and financial security for their full field development plans.

The CEO wanted to know where it had gone wrong and was in a hurry to investigate ahead of the next board meeting, giving us just three weeks to get answers. Were there problems with the contractors, was the organisational model inherently flawed, or were there issues with both?

---

Our client was under heightened pressure to reassure its partner that the approach was valid and its plans viable.

---

At first glance, it was a puzzle. The company's business strategy was to employ a lean core team and flat organisational structure, outsourcing much of its operations to third party companies. It's an approach designed to enable the company to efficiently exploit underdeveloped assets, new but fast gaining traction in the industry. And the team had the weight of experience behind them with some seriously impressive CVs.

We deployed one of our teams to get to the root of the problem, no small task given the relative lack of benchmarking documentation for

the pioneering business approach. After interviewing key members of the client's team, reviewing project documentation and scrutinising the operating model we were able to reassure the board that their organisational approach was sound: time and cost overrun had been largely attributable to issues within the contractor organisations.

That said, implementation had been imperfect. While the approach had been defined in principle, many of the experienced team had continued to operate under the more traditional operational model that they were used to and had inadvertently created an environment of 'too many cooks'. We formulated a set of targeted improvements for a more robust approach to forward projects.

### So what?

Confidence was restored, the investor reassured, and the team reinvigorated. From scratch, we were able to rapidly provide independent confirmation that the operational model had not negatively affected the project. The management were courageous in contacting us for an unvarnished report of the project, but it paid off.

Acting on our recommendations, our client could embed the outsourcing model, maximise management efficiency, streamline projects, and better prepare the team for success. Investment in this knowledge capture will pay dividends in economic savings down the line.