



Building an Effective Alliance

SAOGA Networking Breakfast Talk

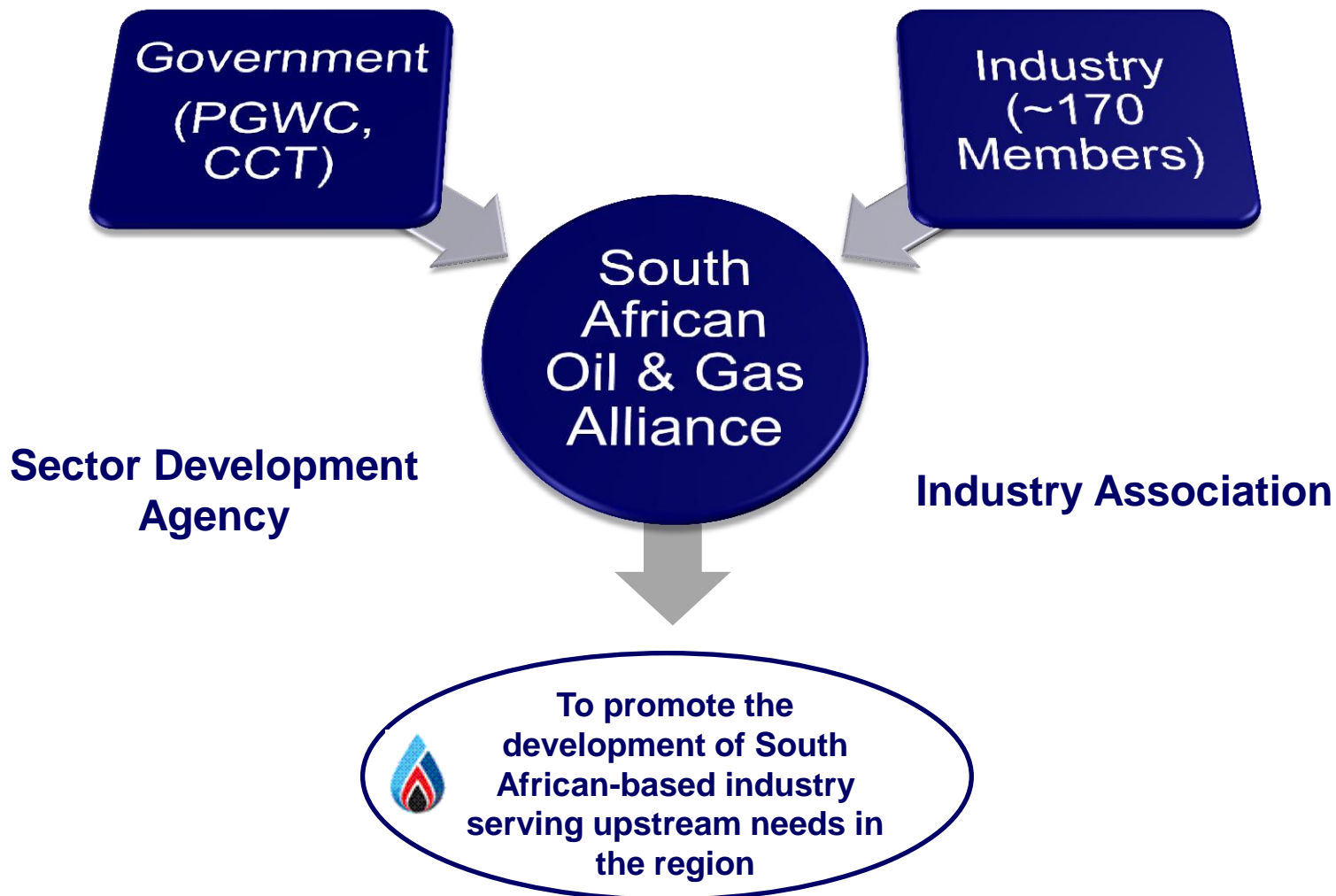
Warwick Blyth
Executive Director

28 July 2011

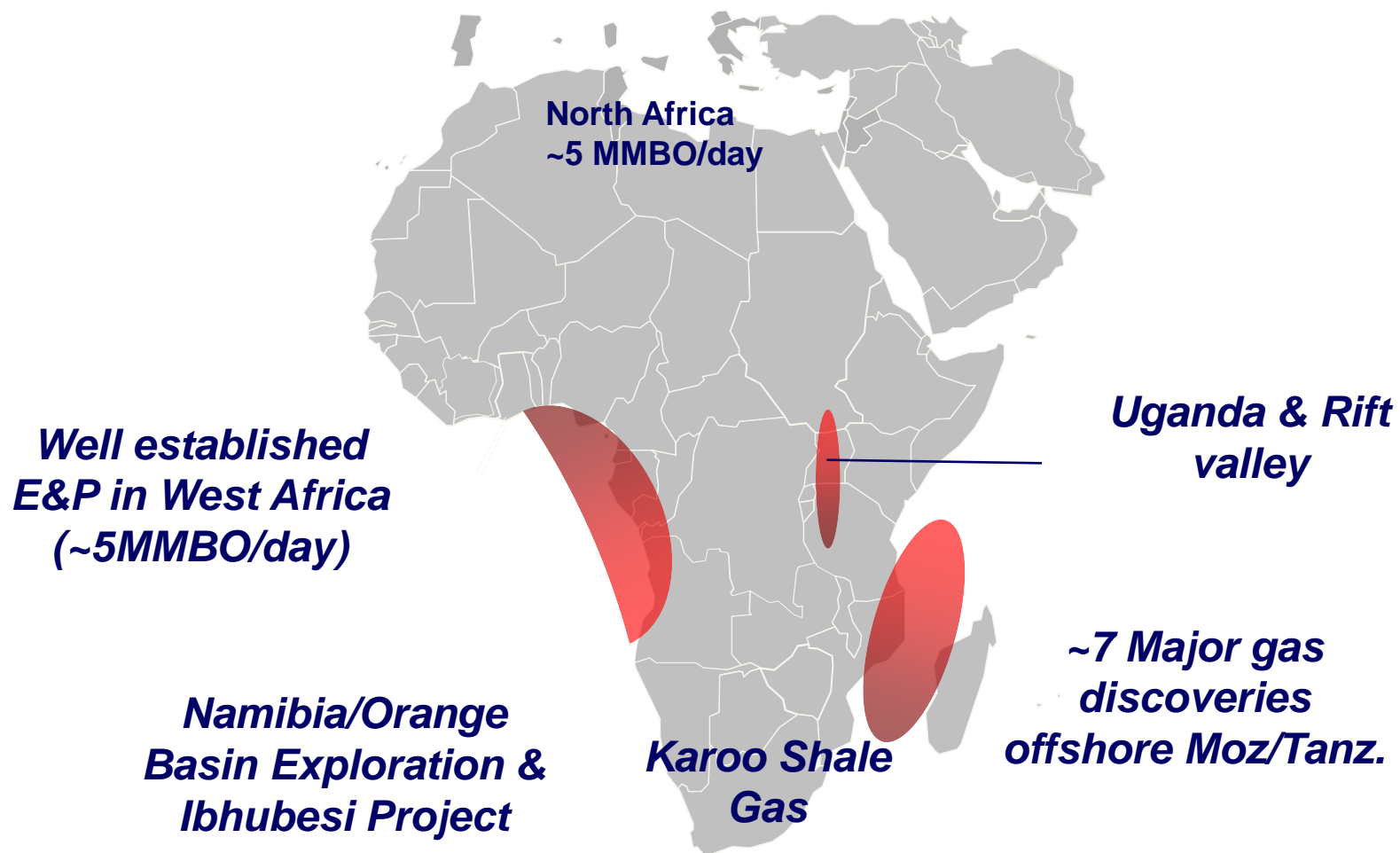
Agenda

- **Exciting times and opportunities**
- **What SAOGA is focusing on**

The South African Oil & Gas Alliance is a public/private partnership to develop SA-based upstream suppliers



Sub-Saharan Africa is one of the world's fastest growing upstream opportunities



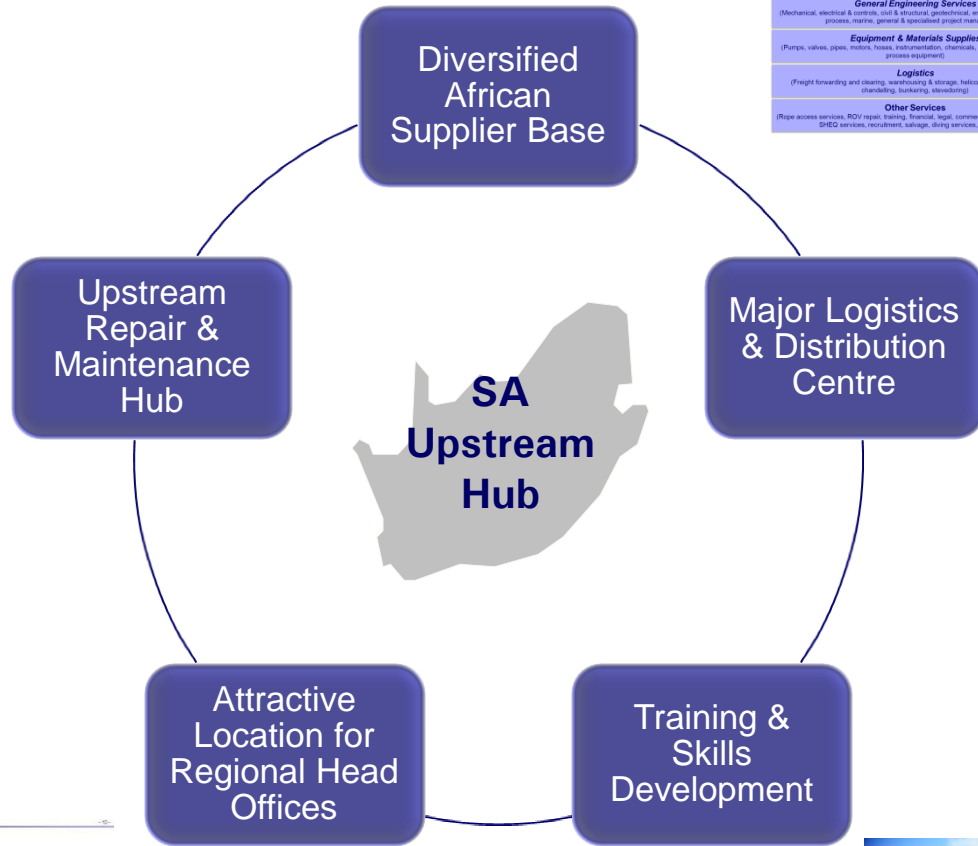
FO Field Project

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The real opportunity for South Africa is in the upstream supply chain; this also maximises employment

Tier 1: Operators	Integrated Majors	Large/small Independents	National Oil Companies	Non-Operating Companies	Exploration
Supply Chain Categories	Reservoirs	Wells	Facilities	Marine & Subsea	Support & Services
Tier 2: Main Contractors * & Consultants	Reservoir Engineering/Management Contractors Seismic Data Acquisition & Processing Contractors	Oilfield/Well Services Contractors Drilling Contractors Well Engineering Consultants	Engineering, Operation, Maintenance & Decommissioning Contractors Engineering Consultancies Structure and Topsides Design & Fabrication	Marine/Subsea Contractors Heavy Lift Contractors Pipelay Contractors Floating Production Storage Units	Catering/Facility Management Sea/Air Transport Warehouse/Logistics Communications Recruitment & Training
Tier 3+: Product & Services Suppliers, Components Sub- contractors & Sub-suppliers	Geoscience Consultancies Data Interpretation Consultancies Seismic Instrumentation Data Storage IT	Cementation Contractors Drilling & Well Equipment Design & Manufacture Drilling Tubulars Laboratory Services	Machinery & Plant Design & Manufacture Engineering Support Contractors Specialist Engineering Services Specialist Steels & Tubulars	Subsea Manifold & Riser Design & Manufacture Marine/Subsea Equipment Subsea Inspection Services	HSE Services Medical Services Banking & Finance Legal & Insurance Accountancy

South Africa offers a number of attractive propositions to the regional upstream industry



Fabrication & Construction <small>(Subsea modules, jackets, topsides modules, steels & pipe, leg/large)</small>	Repairs & Maintenance <small>(Full range of wet & dry repairs on rigs & vessels, steel surveys, verification inspection & testing)</small>	ESP Service Companies <small>(Local/regional bases of global players)</small>
General Engineering Services <small>(Mechanical, electrical & controls, civil & structural, petrochemical, environmental, chemical & process, marine, general & specialised project management)</small>		
Equipment & Materials Supplies <small>(Pumps, valves, pipes, motors, hoses, instrumentation, chemicals, hydraulic & pneumatic, process equipment)</small>		
Logistics <small>(Freight forwarding and clearing, warehousing & storage, helicopters, crew changes, chandling, bunkering, stevedoring)</small>		
Other Services <small>(Rope access services, ROV repair, training, financial, legal, commercial, IT, medical services, SHEQ services, recruitment, signage, dining services, hospitality)</small>		



Some key success factors to consider:

- **We need to attract global players to locate African operations in South Africa and/or partner with local firms.**
 - The upstream supply chain is hard to break into and requires a track record.
- **Focusing on maintenance and upgrade activities would be a good place to focus effort.**
 - Opex typically accounts for 25-30% of total project spend and occurs in a long tail over 20-30 years after projects are commissioned.
 - Geographic proximity is more important in these sort of activities and they are often labour intensive.
- **We need to ensure high quality product and service is delivered.**
- **We need to ensure the availability and access to appropriate infrastructure and facilities; port facilities are particularly important.**
- **We should play the “African content” angle**
 - SA positioned as key partner with upstream producing countries to create an indigenous African upstream supply chain.
 - Need to ensure free movement of people (services) and goods.

Agenda

- **Exciting times and opportunities**

- **What SAOGA is focusing on**

Some recent examples of productive activity:

- **Entry of Oil & Gas Services sector into Government's IPAP2.**
- **New jack-up barge - 7Seas GeoScience & Belmet**
- **Assisted Transocean *Celtic Sea* Rig project to Saldanha.**
- **Placement of 70 artisan trainees into companies for on-the-job training.**



The current IPAP has four objectives for the upstream oil and gas services sector

- **Resolution of key port constraints on the Upstream Ship Repair Hub through a collaborative engagement between industry and TNPA.**
- **National Marketing Initiative for the South African upstream clusters.**
- **Improve the attractiveness of South Africa as a destination for upstream investments in regional logistics and distribution capability.**
- **Establish an industry research and advisory programme to identify and develop additional upstream market opportunities for South African industry.**

SAOGA's current business plan is built around four strategic imperatives

Our Mission
(Where are we going)



To promote the development of South African-based industry serving the global oil & gas market

Our Strategic Imperatives
(What do we need to do)

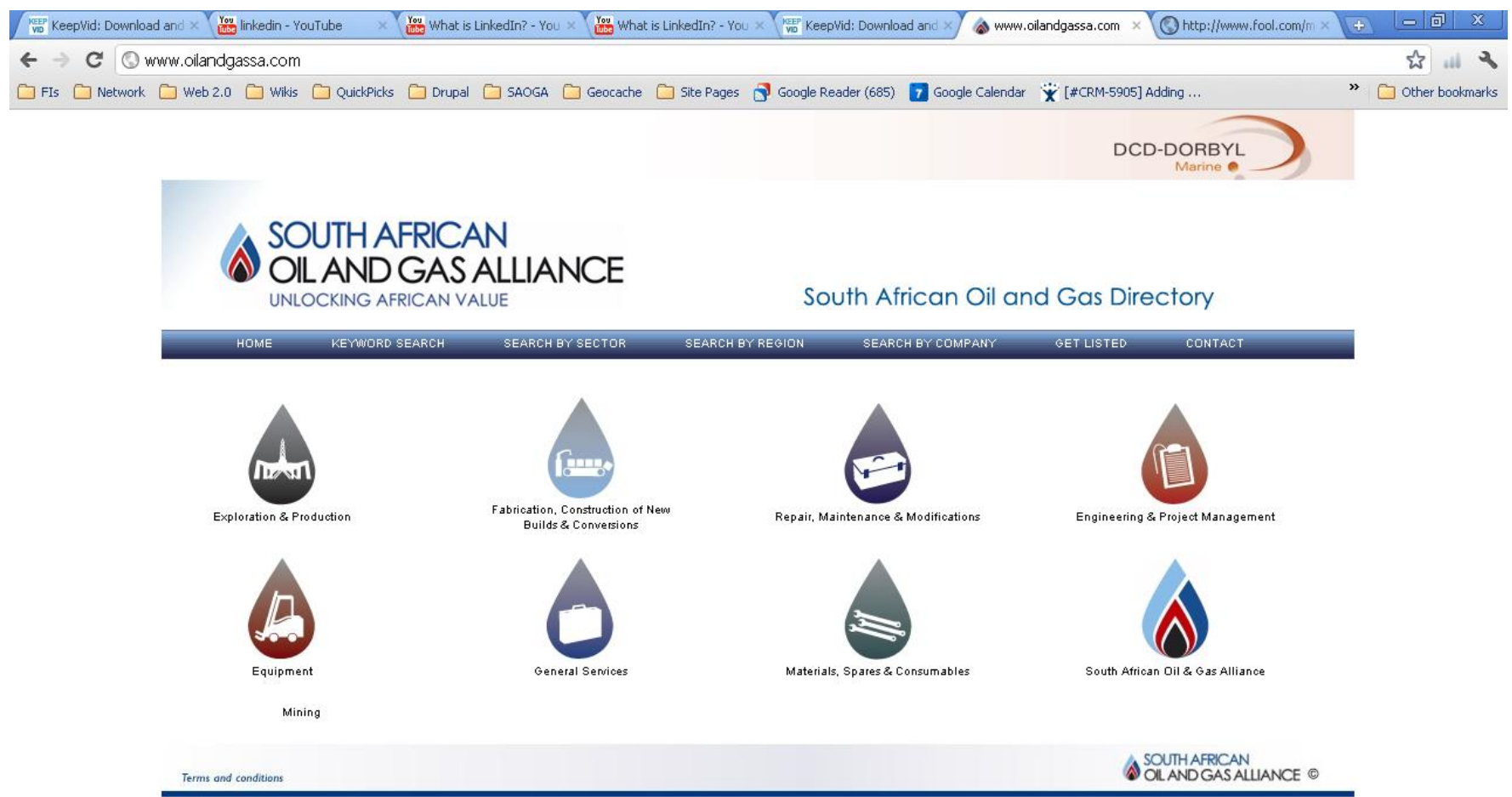
Our Strategic Initiatives
(How)

	Market & Promote SA Capability	Grow the Ship/Rig Repair Cluster	Link & Network the Sector	Identify & Develop New Clusters
	<ul style="list-style-type: none"> • General marketing & promotion of SA upstream industry (media, publicity etc) • Individual company matchmaking & trade support (export training, trade missions etc) 	<ul style="list-style-type: none"> • Formation of Cluster Leadership Team • Development of Cluster Strategic Agenda • Execution cluster strategic projects 	<ul style="list-style-type: none"> • Member/industry events • Social media initiative • Grow SA Oil & Gas Directory • Member/industry communications • Public Sector Liaison 	<ul style="list-style-type: none"> • Put long term advisory/support agreement in place with global partner. • Support for ship/rig repair cluster • Analysis of key content localisation opportunities. • Identification of potential new clusters.

Promoting the SA upstream requires two initiatives



A re-launched, updated and expanded SA Oil & Gas Directory will be a key marketing tool



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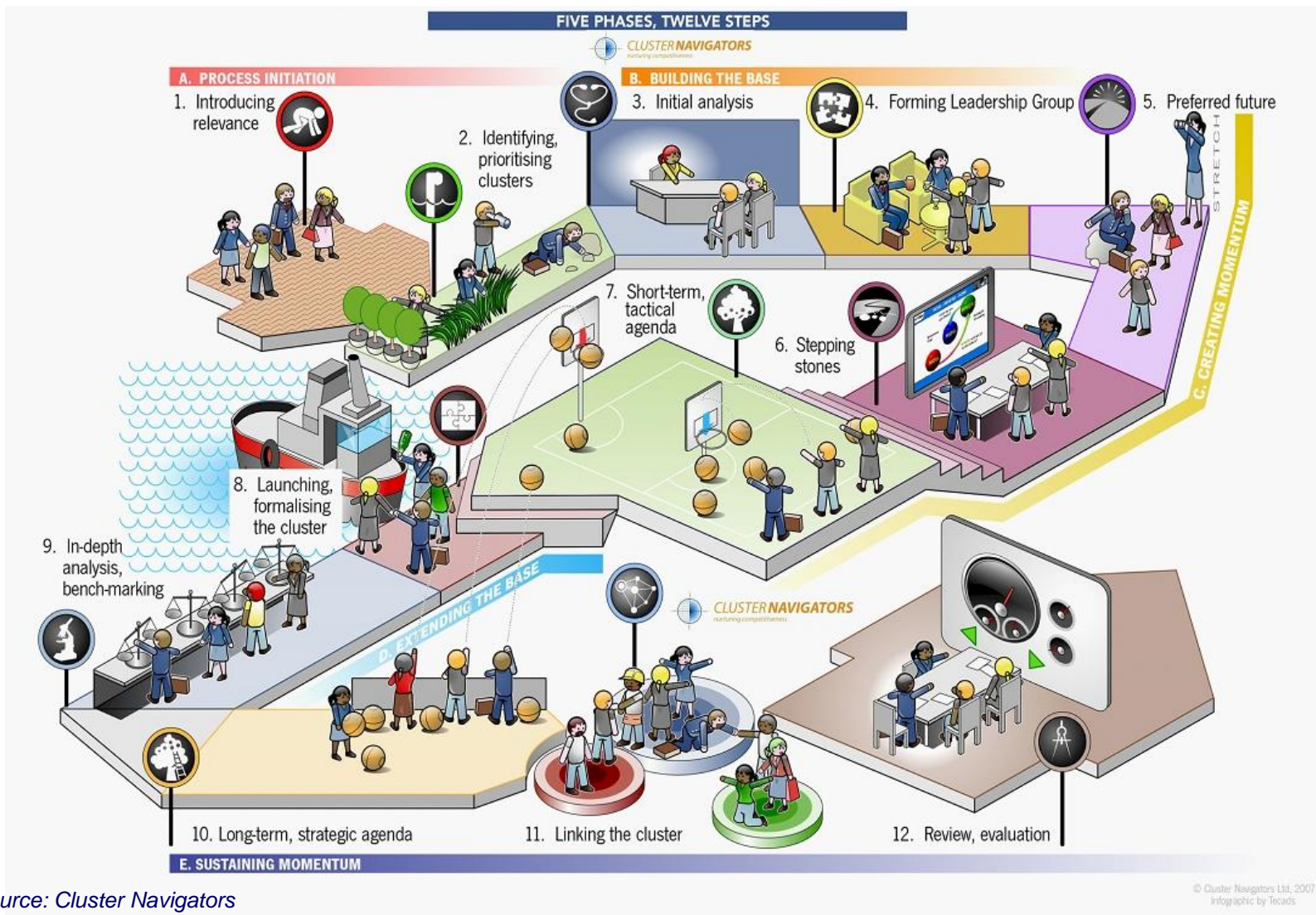
Our Strategic Imperatives
(What do we need to do)



Our Strategic Initiatives
(How)



We are busy implementing a cluster development process for the Ship/Rig Repair cluster



Source: Cluster Navigators

Have recently formed a Port Cluster Leadership Team to realise the potential of the ship/rig repair cluster

Provisional PCLT

- Warwick Blyth
- Colin Boyes
- Ron Caris
- Graeme Clemitson
- James Cooke
- Salvo Cutino
- Barry de Klerk
- David Hitchman
- Steve Hrabar
- Herman Jonker
- Pieter Kroon
- Thabo Mbebe
- Claude Orgill
- Colin Schreuder
- Michael Timm

Current Priorities

- Resolve the lack of engagement and collaboration with TNPA.
 - PGWC engagement
 - DTI Engagement
 - Transnet Engagement
 - TNPA Engagement
 - Port Regulator
- Port Handbook.
- Ship Repair booking procedure in Port of Cape Town.
- Ship Repair infrastructure study (next).

Other possible candidates for projects and working groups for the cluster include:

- **Skills development focused on contract labour pool**
- **Productivity improvement initiative(s)**
- **Customs & excise initiative**
- **BBBEE Trust to channel funds to skills development, enterprise development and social investment relevant to sector**
- **Benchmarking and comparative cost/productivity**
- **Skills passport system**
- **Performance and activity tracking**
- **Developing/sourcing curricular and training pathways for industry training**
- **Market intelligence**
- **Product and service innovation**
- **Improvement of SHE practices across the cluster**
- **Develop and/or disseminate standards**
- **Individual supplier development**

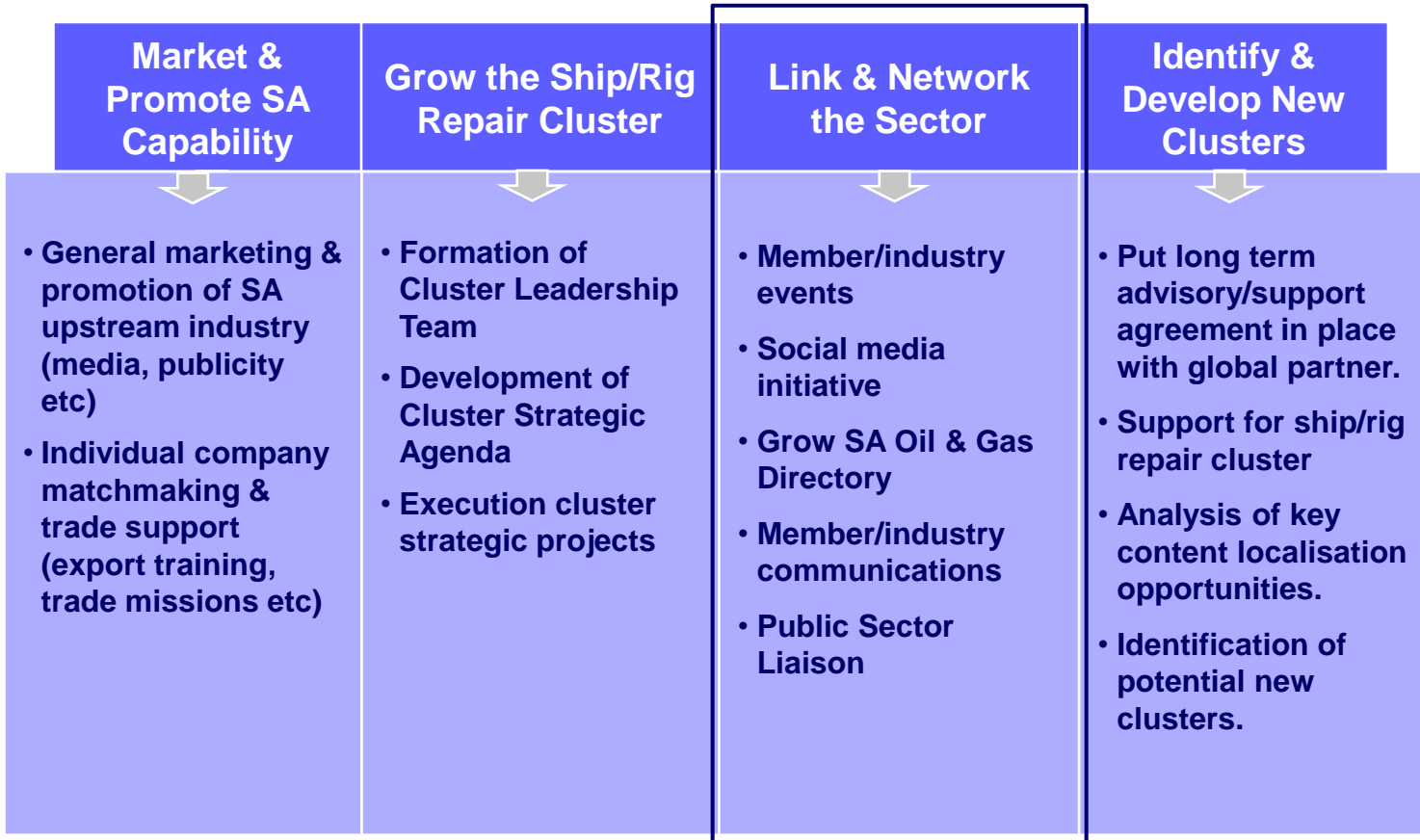
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SAOGA has an important role to play as the linking and networking point for our the sector

- **Continue with networking events**
 - Breakfasts, industry roundtables, company profiling events etc
- **Aggressively expand the oil and gas directory to include “all” SA-based suppliers to the industry**
 - We need to catalog the supplier base across the country as a precondition for linking people.
- **Better member and industry communications**
 - Better segmentation of our mailing lists.
 - More aggressive promotion of our website as an info hub for the sector.
- **Social media initiative**
 - Use Facebook, Linked In or similar site to create a virtual meeting place for industry
 - Topical discussions, company profiling, lead sharing, introductions etc

Social media as a tool for the alliance:

LinkedIn Account Type: Basic ▼ Warwick Blyth **Add Connections**

Home Profile Contacts Groups Jobs **Inbox 14** Companies News More **Advanced**

British Master in 1 Year - 12 Months York St John Univ Online Master in Innovation- Free Catalogue ! - From Dr. David Costa

Edit Profile [View Profile](#)

Add skills: ✕

Save Skip

Start Profile Makeover

Ask for recommendations
Create your profile in another language

75% profile completeness

Complete your profile quickly
➤ **Import your resumé** to build a complete profile in minutes.

Profile Completion Tips [\(Why do this?\)](#)

- Add your summary (+5%)
- Add your specialties (+5%)
- Ask for a recommendation (+5%)

Ads by LinkedIn Members

Lombard Insurance Group
Imagine the possibilities if the right partnerships were made.
[Learn More >](#)

MBA Leadership 18 Months
Online MBA in Leadership 18 Months University of Cumbria
MBA at RKC
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Who's Who In Africa
Networking, Career Advancement. Gain Recognition. Apply today. It's Free!
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Who's Viewed My Profile?

5 Your profile has been viewed by 5 people in the past 7 days.

11 You have shown up in search results 11 times in the past 15 days.

Warwick Blyth [Edit](#)
CEO at South African Oil & Gas Alliance
Cape Town Area, South Africa | Management Consulting

[Edit](#)

[Post an update](#)

Current	<ul style="list-style-type: none"> • CEO at South African Oil & Gas Alliance Edit + Add a current position
Past	<ul style="list-style-type: none"> • Principal at PSP Icon • Director at Strategic Business Processes, Inc • Senior Engagement Manager at Strategic Decisions Group (SDG)
Education	<ul style="list-style-type: none"> • Stanford University • University of Cape Town • St Stithians College
Recommendations	+ Ask for a recommendation
Connections	284 connections
Websites	+ Add a website
Twitter	+ Add a Twitter account
Public Profile	http://za.linkedin.com/pub/warwick-blyth/2/357/815 Edit

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NEW [Add sections](#) to reflect achievements and experiences on your profile. [Add sections](#)

The website is a key tool for information sharing

The screenshot displays the website www.saoga.org.za in a browser window. The browser's address bar shows the URL, and the page title is "South African Oil and Gas Alliance". The website features a navigation menu with the following items: About Us, Upstream in SA, Services, Useful Info, News & Events, FAQ, Find Us, Directory, and Directors. A search bar is located on the right side of the page, with a "Search" button and a "SA Oil & Gas Directory" link. The main content area includes a "Home" section with a "View" button and a description of the South African Oil & Gas Alliance (SAOGA) as a non-profit organization. Below this, there are several links for users to explore the site based on their interests, such as "I would like to find out more about the South African upstream industry and/or view the of suppliers." and "I would like to become a SAOGA member." A "Please contact us for further information" section is also present, with a "21006 reads" indicator. On the right side, there are sections for "Quick Links", "Latest Posts", and "Upcoming Events". The "Quick Links" section includes links to the SA Oil & Gas Directory, Marintek Supply Base Study, Recent Events/Downloads, Current Upskilling Courses, Join Our Mailing Lists, Shell Energy Scenarios 2050, Join SAOGA, and SAOGA Intro Presentation. The "Latest Posts" section lists several articles, including "Cameroon Trade exhibition 3-11 December 2011", "Worley Parsons SA", "Imbewu (Anix Trading cc t/a Imbewu)", "Opportunity for members - UNIDO SPX programme", and "EXPORTING TO NIGERIA - 12 April 2011". The "Upcoming Events" section lists "SAOGA Networking Breakfast - Thursday 28 July 2011". The "Industry News" section includes "Oil Search cashes in on oil prices" and "Khartoum demands \$23-per-barrel fee". The website is displayed in a browser window with multiple tabs open, including "KeepVid: Download and...", "linkedin - YouTube", "What is LinkedIn? - You...", and "South African Oil and G...". The browser's taskbar at the bottom shows the Windows Start button, several open applications, and the system clock showing 18:11.

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We are currently looking to establish an advisory programme to help guide the development of the sector

- **Objectives**

- Identify potential new segments in the upstream supply chain for SA-based companies to target.
- Develop strategies for establishing these new segments and company clusters.
- Place a specific focus on how domestic upstream projects and content localization can be used to catalyze new opportunities.

- **Key Activities**

- The primary activity in this area is an ongoing programme of study/research to identify and create new SA-based activity.
 - We are currently considering a partnership with Marintek to accomplish this.
- Strategic supply/value chain analysis.
- Market and competitor analysis.
- Opportunity identification and prioritisation.
- Creation of cluster development strategies.
- Focused investment attraction and fund raising.

The SAOGA Skills Programme will increasingly become focused on ensuring the industry has the skills it needs

- **Industry led skills task teams have been formed in a number of areas to develop clear pathways for developing appropriate skills.**
 - Coating, HSE, Diving with others to follow.
 - These teams are developing clear curricula for training as part of this work.
- **Our training activities have shifted away from pure classroom training towards work placement centered training over the past 2 years.**
 - We currently have about 70 trainees placed at companies and receiving regular mentoring support through another organisation we work with.
 - 50 of these students will commence 10 weeks of classroom training at Northlink college in early August.
- **SAOGA is also working to position itself as an industry partner with the QCTO, the new South African accreditation body.**
 - This provides a real opportunity to align global and local qualifications.
- **We will continue the upskilling training courses that we have offered to industry as funds permit.**

For the alliance to be really successful it's important that we get members more involved

- **The PCLT and the Skills Task teams are great examples of member led initiatives.**
 - We expect more task teams will be needed around the core strategic initiatives.
 - If you are interested in participating please let us know.
- **Members with ideas on just about anything are most welcome**
 - If there are things that will help grow the industry if done collectively or would benefit from SAOGA industry position to drive it then come and talk to us.
- **Visit the website regularly and see what's going on.**
- **Give us clear feedback on things we aren't doing or aren't doing well.**
 - Often changes don't happen because we don't know there is a problem.
- **Remember that we all collectively represent the South African upstream supplier sector.**
 - Let's work together to get clients here and then let's deliver great work



**For further information
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