

Working As One Survey

Analysis of Results

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On behalf of

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EXECUTIVE SUMMARY

OEUK commissioned the Working As One collaboration survey to help companies understand how they work together in the industry. The survey, launched in September 2021 was made open to all OEUK members with the intention to measure the extent of cooperative business behaviours within the supply chain. The Working As One survey, managed by Astrimar, was designed to build upon the collaboration surveys previously undertaken by Deloitte.

The Working as One survey was designed to also encourage suppliers to rate the cooperative behaviours of their peers, for the first time, as well as their clients.

The survey was structured around the 10 OEUK Supply Chain Principles with the intention of developing an understanding of the uptake of the principles adopted by industry. Behaviours and attitudes relating to collaboration in general, plans for energy transition and use of industry collaboration tools were also explored. The intention is for this feedback from the survey to provide data for future industry publications aimed at driving continuous improvement in business collaboration and competitiveness.

A key objective of the survey was to gather as much feedback from as many people and organisations as possible, so to this end, new ways of distributing the survey were developed, providing ownership of individual survey links to individual operator and Tier 1 companies, so they could then distribute this onto their own supply chains.

To maximise uptake of the survey, the duration of the survey was extended into December 2021, enabling further operators and Tier 1 contractors to generate their own supply chain feedback.

There were 59 individual surveys created by companies based in the UK Continental Shelf (UKCS) along with a generic survey which would allow anyone to also respond independently. Of those 59 surveys, two companies subsequently chose not to issue their survey to their supply chain, leaving 57 company surveys.

During the time between September and December when the surveys were active a total of 426 responses were received. This represents a 230% increase over the previous year.

The data and analysis of the results of this survey are presented in an aggregated form in this report, with all respondents and supply chain companies remaining anonymous. Individual company reports have been created for each of the 57 companies who created their own company survey link. These individual reports have been shared directly to each associated company.

Key observations from the survey are summarised below with more detail provided in the body of the report.

Of the 57 surveys, 21 were created by Operators, 16 by Tier 1 suppliers and 20 by Tier 2s and SMEs. Of the 426 responses received, 48% were from Tier 2s, SMEs and other companies, 46% were Tier 1s and 6% were from operators.

As well as results of the questions related to the 10 supply chain principles, feedback is also presented on the reasons for, and effectiveness of, collaboration and also on progress to date related to the Energy Transition.

83% of respondents either strongly agreed (36%) or agreed (49%) that supply chain principles are understood and widely applied within their organisations.

75% of respondents felt that their organisations were addressing the Energy Transition. 36% of respondents have a plan in place with their partners to reduce emissions across each scope and a further 42% said that this is in currently in process.

Supply Chain Principle 3, relating to skills and competences was the principle that scored most highly across all companies. Supply Chain Principle 7 related to competitive bidding scored the least across the board, identifying this as the area for greatest improvement. Additional observations of trends are presented in the conclusions to this report.



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1. INTRODUCTION

OEUK commissioned the Working As One collaboration survey to help companies understand how they work together in the industry. The survey, launched in September 2021 was made open to all OEUK members with the intention to measure the extent of cooperative business behaviours within the supply chain. The Working As One survey, managed by Astrimar, represents a progression on previous surveys conducted by Deloitte on behalf of OEUK to understand UKCS upstream supply chain collaboration. A fundamental difference with this year's survey, is that individual companies were able to generate surveys of their own which could be issued directly to their supply chain – meaning companies were able to obtain feedback from their suppliers rating the cooperative behaviours of their peers, for the first time, as well as their clients.

This meant that feedback on the intra-supply chain (e.g. between Tier 1 and Tier 2s) could also be distilled from the results. These results, along with the aggregated results inform this report.

The survey was structured around the 10 OEUK Supply Chain Principles with the intention of developing an understanding of the uptake of principles adopted by industry. These include agreement of a fair allocation of risk and costs, reasonable payment terms and prevention of contract cancellations, behaviours and attitudes relating to collaboration in general, plans for energy transition and use of industry collaboration tools were also explored.

The electronic survey was conducted using Microsoft Forms, with all responses anonymous – no personal data was stored or requested from respondents. Survey responses were aggregated across individual company surveys.

There were 57 individual surveys created by companies based in the UK Continental Shelf (UKCS) along with a generic survey which would allow anyone to also respond, if not requested directly to do so by a specific company.

The surveys were active from September to December 2021 and they received a total of 426 responses – a 230% increase over the previous year.

This Working As One report presents the results from these surveys anonymously and aggregated within and across organisations. Key observations from the survey are summarised within the report along with comparisons between organisations and organisation types.

The intention is for this feedback from the survey to provide data for future industry publications aimed at driving continuous improvement in business collaboration and competitiveness.

The complete set of anonymised results were made available in PowerBI along with an interactive dashboard, allowing for data to be visualised, filtered and sliced.



2. METHODOLOGY

2.1. Ranking approach based on survey sections

The survey consisted of 13 sections comprising of a section on collaboration, existing tools, energy transition and a section for each of the 10 supply chain principles. There was a total of 58 questions. The results presented in this report are the aggregated responses from all 426 responses.

For the ranking of participating companies, 24 questions from the survey were selected in agreement with OEUK, across most of the sections, excluding collaboration, existing tools and Supply Chain Principle 8 and 9. Supply Chain Principle 8 was excluded from the rankings as the question was not constrained to a specific time period, nor did it recognise which organisation had initiated or was responsible for the undesired actions. Similarly, Supply Chain Principle 9 was excluded as the question referenced the position of the respondents only, and therefore the responses are not reflective of the partner company (survey owner).

Only companies which received more than 5 responses to their individual surveys were included in the overall ranking.

2.2. Selection of weightings and scores

All questions were equally weighted within each section such that the total score for each section was out of 100. Answers to questions were similarly scored with values between 0 and 100, where 100 was the most positive answer and in complete agreement or support of the question or statement, and 0 was the least positive possible answer.

An overall rank was calculated using the average of the scores for each of the included sections (i.e. Equally weighted). This meant that the overall rank was calculated on a scale between 0 and 100, where 100 was the most positive and 0 was the least positive.

Following multiple sensitivity analyses on the scoring, it was further decided that “Don’t know” as an answer should not be scored higher than “No” or “Never”, as this may not be a correct reflection of the implication of not knowing. For example, when asked *Does your organisation have a plan in place for the Energy Transition*, it was felt that the answers of “No” and “Don’t know” should be treated equivalent. Therefore, “Don’t know” was scored the same as “No” or “Never” – i.e. typically zero, unless the answers are in the negative.

This resulted in a wider spread of scores between the top performing companies and those lower in the rankings, with the top performing companies scores’ not changing significantly compared to those lower down.

Table 1 below shows how the scores were allocated for each possible answer for every question included in the overall ranking. This is based on initial discussion and agreement with OEUK.

Table 1: Allocation of scores for each possible question response

Section and Question	Answers and Score			
Energy Transition				
Are you currently working with partners to reduce their / your emissions?	Yes; we have a plan in place which looks to reduce emissions across each scope	In process; conversations are currently ongoing and are in the process of understanding roles and responsibilities	No; this has been identified out of scope of our remit	No; no plans to work together to reduce our emissions
	100	75	0	0



Section and Question	Answers and Score				
Supply Chain Principle 1					
Are potential risks and rewards objectively discussed and evaluated before contract commencement and thereafter shared proportionately?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Is risk and reward formally reviewed during the contract life cycle as part of the Contract Management Plan?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
How often does your organisation amend commercial contracts to rebalance risk and reward?	All the time	Sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Supply Chain Principle 2					
Is the accounts payable (AP) process clearly explained before contract commencement?	Yes – all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Is the process for invoice dispute resolution clearly explained before contract commencement?	Yes – all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Are there payment performance metrics (KPIs) for both buyer and seller within the Contract Management Plan?	Yes – all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Are invoices paid as per the contractual terms and conditions?	Yes – all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Is there a mechanism to expedite payment to SMEs?	Yes	No	Don't know		
	100	0	0		
Are you able to make adequate return on investment to innovate and develop new technology?	Yes, comfortably	Yes, somewhat	Rarely	Never	Don't know
	100	75	50	0	0
Are 'Industry Standard Contracts' the main basis for your commercial relationships?	Yes – all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	25
Supply Chain Principle 3					
Are the competencies and skills required for the work clearly defined in a Scope of Work?	Yes	No	Don't know		
	100	0	25		
Are the competencies and skills, of those undertaking the work being tendered for, verified?	Yes	No	Don't know		
	100	0	25		
Supply Chain Principle 4					
Have you ever cancelled or terminated a contract early; or had a contract cancelled or terminated early?	Yes	No	Don't know		
	0	100	100		
Supply Chain Principle 5					



Section and Question	Answers and Score				
Is the tender process efficient, to make sure your resources are not unnecessarily impacted or wasted?	Yes, it is efficient	It is okay but could be better	No, it is not efficient	Don't know	
	100	75	0	0	
Are there opportunities to engage partners at the pre-tender stage, to help inform what is being tendered for?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Are the audit requirements suitable and efficient?	Yes, they are suitable and efficient	No, they are not efficient	Don't know		
	100	0	0		
Supply Chain Principle 6					
Do you request/provide new ideas as part of the tendering process?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Are suppliers engaged to discuss work scopes outside the tender process to encourage innovative approaches?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Are suppliers able to maximise their full potential in adding value through innovation?	Yes - focuses on value add	No - only focuses on costs	Don't know		
	100	0	0		
Supply Chain Principle 7					
Do tender processes allow for the submission of alternative proposals to be considered?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
In the last 12 months have any alternative bids/proposals been successful?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	100	75	50	0	0
Supply Chain Principle 8					
Intentionally not included					
Supply Chain Principle 9					
Intentionally not included					
Supply Chain Principle 10					
Do you ever need to escalate disputes to MD level for effective resolution?	Yes - all the time	Yes, sometimes	Rarely	Never	Don't know
	0	50	75	100	100
Are you comfortable to address any issues you have directly with the MD?	Yes - absolutely	Yes - mostly	Neutral	No - not really	Don't know
	100	75	50	0	0

2.3. Free text responses

Most sections (the Energy transition section and every Supply Chain Principle section) included free text questions, enabling respondents to provide additional comments and feedback. Due to the volume and sensitive nature of some of the free text responses, these are not replicated in full within this report.



A text analytics service provided by Microsoft Azure was used to extract key phrases from the free text responses. These key phrases were used to generate word clouds included within each section of the report to provide an illustration of the general sentiment of each section's responses.

2.4. Grouping of ranked companies

Companies that received more than 5 survey responses were scored and ranked against one another to provide an overall table of ranking.

It was also suggested by OEUK, that there may be benefit in grouping Operators with respect to their relative approximated activity within the UKCS over the 2020/2021 period. This enabled the results to account for, and reflect an anticipated relationship between activity levels and the level of interaction with the supply chain.

Participating Operators were grouped into 3 categories, namely Group A, B and C. Group A included operators with a UKCS activity level of greater than 30 MMboe, Group B represents activity levels between 15 and 30 MMboe, and Group C is less than 15 MMboe. There are 6 Operators included in Groups A and C, while Group B contains 7 Operators. Other potential boundaries related to UKCS activity levels were considered, including categorisation into a greater number of groups containing fewer Operators, however it was agreed that the above was a fair and representative approach to take with the responses and comparison between them being reasonably well aligned.

There were 6 Tier 1 companies grouped together into Group D, no other factors were identified as part of this grouping.



3. DEMOGRAPHY

There were 59 surveys created by companies in the UKCS. Of those 59 companies, two companies subsequently asked to not participate, leaving 57 company surveys. Of the 57, 21 surveys were created by Operators, 16 by Tier 1 suppliers and 20 by Tier 2s and SMEs. Participating companies were encouraged to send the survey not only to their supply chain, but also to their own staff working within the procurement department. See Figure 1.

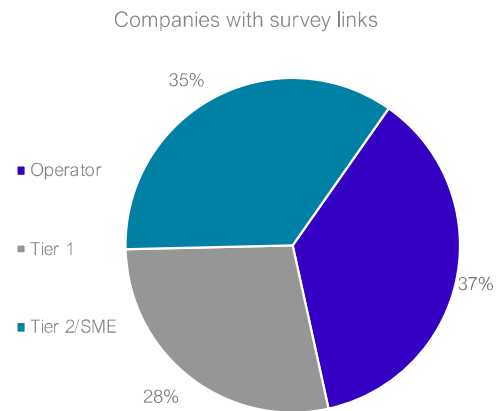


Figure 1: Analysis of respondents owning a survey link

These surveys received 426 responses in total. Of those responses, 48% were from Tier 2s, SMEs and other companies, 46% were Tier 1s and 6% were from operators, as shown in Figure 2.

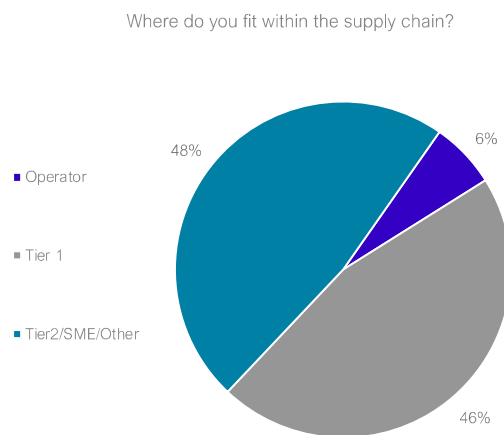


Figure 2: Analysis of survey respondent organisation type

Respondents were further asked to define the main areas of the supply chain that their company fitted into. Respondents were able to select multiple answers if they fitted into many areas. Figure 3 shows that the majority (48%) responded that they were in Support & Services, followed by Marine & Subsea at 16%, Facilities and Wells equally at 14% each, with 4% responding they were an Operator, and finally 3% working in Reservoir.

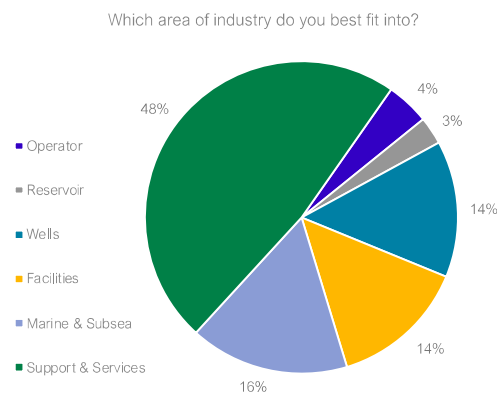


Figure 3: Analysis of respondent industry sector



Finally, respondents were asked where they received the survey from. With companies able to create their own individual surveys – it was encouraging to see that 65% of respondents said they were asked by their partner to complete the survey with a further 22% saying they were forwarded it from a colleague as shown in Figure 4. Only 4% had to request a survey link from their partner, and 7% requested a link from the OEUK, with the remaining 1% of responses coming from other sources such as newsletters, social media or elsewhere.

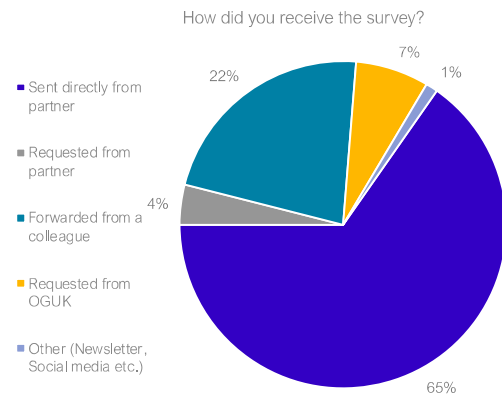


Figure 4: Analysis of how respondents received the survey



4. PRESENTATION AND DISCUSSION OF RESULTS

4.1. Collaboration – Overall

This section presents the responses to the collaboration questions for all respondents overall, irrespective of the company type.

The following graph in Figure 5, shows the main reasons for collaboration, selected from 7 possible options. These have been ranked based on whether each reason was selected as 1st, 2nd, 3rd choice etc.

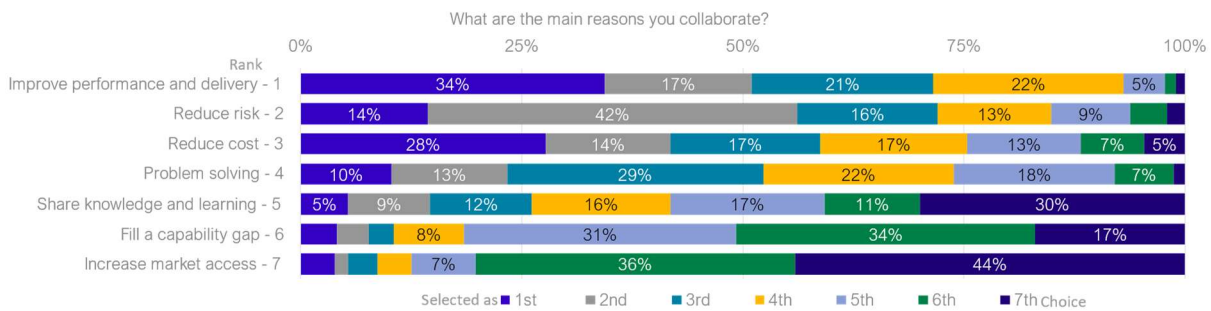


Figure 5: Analysis of the main reasons for collaboration across all responses

Across all respondents *improving performance and delivery* was the main reason for collaboration followed by *reducing risk* and then *reducing costs*. Unsurprisingly *improving performance and delivery* was the first choice option for 34% of respondents with 72% of respondents placing it in their top 3, while *reducing risk* was selected as the second choice by 42% of respondents (and placed in the top 3 by 72% of respondents). *Reducing cost* was selected as one of the top 3 reasons for collaboration by 59% of the respondents. Interestingly, it was selected as their first choice by 28% of respondents, only second to that of *improved delivery and performance*.

Figure 6 below shows the level of agreement from survey respondents to 7 statements related to their commercial supply chain relationships. The vast majority (83%) agreed that *supply chain principles are understood and widely applied within their organisations*, with only 5% disagreeing entirely. Similarly 76% agreed that *payment performance processes were agreed before contract commencement*. The lowest scoring collaboration results related to *equitable risk and reward being a key consideration* for just 66% of respondents - with *innovation actively sought and encouraged* by just 63%.

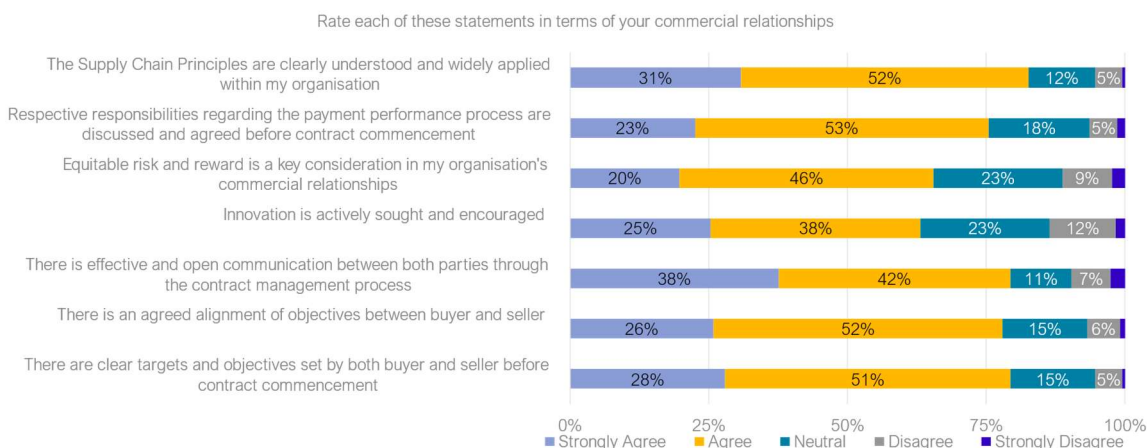
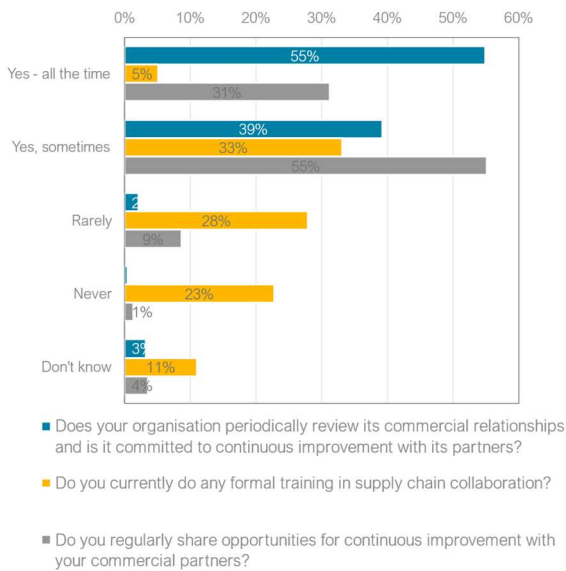


Figure 6: Rating of statements regarding commercial relationships



More positively, 80% confirmed that there was *effective and open communication between parties during the contract management process*. A similar amount (78%) responded to say they *agree there is alignment between their objectives* and 79% agreed that there are *clear targets and objectives set before contract commencement*.



An impressive 94% said that their organisations *periodically review their commercial relationships and commitments to continuous improvement with partners*. This includes, 55% who do it all the time or 39% who do it sometimes, with 86% also saying they *regularly share opportunities for continuous improvement with their commercial partners* as well (31% all the time, 55% sometimes).

Only 38% said they *currently partake in formal training in supply chain principles* (5% all the time, 33% sometimes) with a further 28% responding with rarely, and 23% never.

These results are presented in Figure 7.

Figure 7: Commitment to continuous improvement and formal training in supply chain collaboration

Figure 8 shows that at least 91% of respondents said they either agree or strongly agreed that a key consideration for their organisation was *ensuring the requirements of their commercial partners are appropriately met during a contract*.

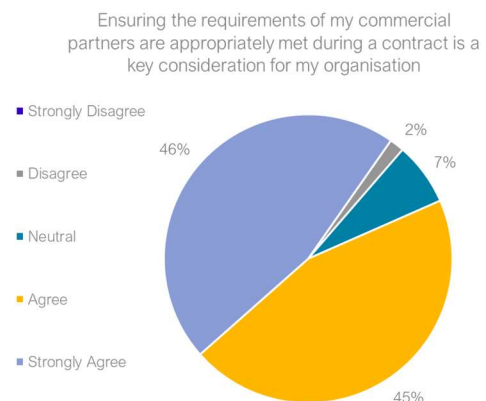


Figure 8: Analysis of commitment to ensuring the requirements of commercial partners are met during a contract

4.1.1. Collaboration – Operators

This section presents the responses to the collaboration questions for the respondents replying to operator surveys only. Comparisons are made to the responses gathered from respondents replying to tier 1 surveys only, which are presented in detail in Section 4.1.2

The following graph in Figure 9, shows the main reasons for collaboration, selected from 7 possible options. These have been ranked based on whether each reason was selected as 1st, 2nd, 3rd choice etc.

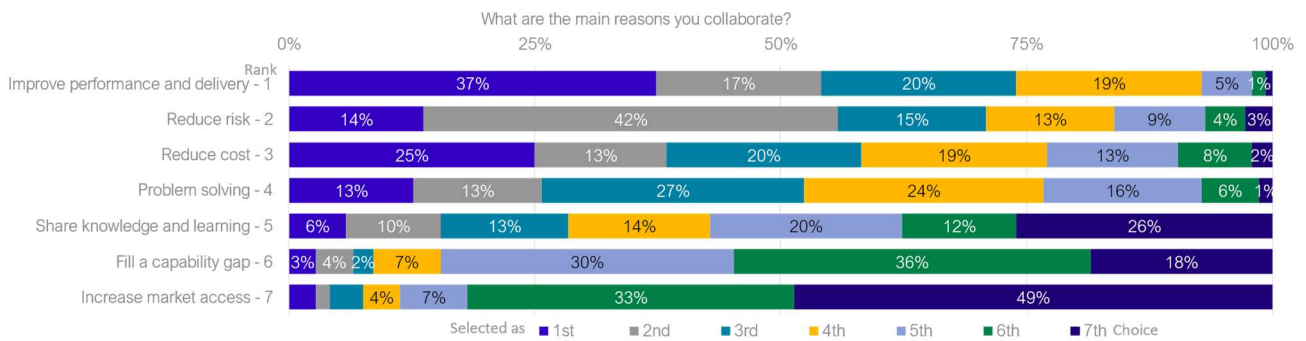


Figure 9: Analysis of the main reasons for collaboration when responding to Operators only

Those responding to Operator surveys ranked “improving performance and delivery” as their top reason for collaboration, followed by “reducing risk” and “reducing cost” in positions two and three. This is the same result as the response to Tier 1 surveys only.

Improving performance and delivery was selected in the top 3 reasons for collaboration by 74% of respondents, with 37% choosing it as their first choice. This is greater than those responding to Tier 1s only.

Reducing risk was selected by 71% of respondents as one of the top 3 reasons – With a considerable (42%) saying it is their second most important reason. This was similar to those responding to Tier 1s only.

Reducing cost was selected as one of the top 3 reasons for collaboration by 58% of the respondents. This was considered less important than those responding to Tier 1s surveys. Interestingly, it was selected as their first choice by 25% of respondents to operators, only second to that of improved delivery and performance.

Figure 10 below shows the level of agreement from survey respondents to the 7 statements related to their commercial supply chain relationships.

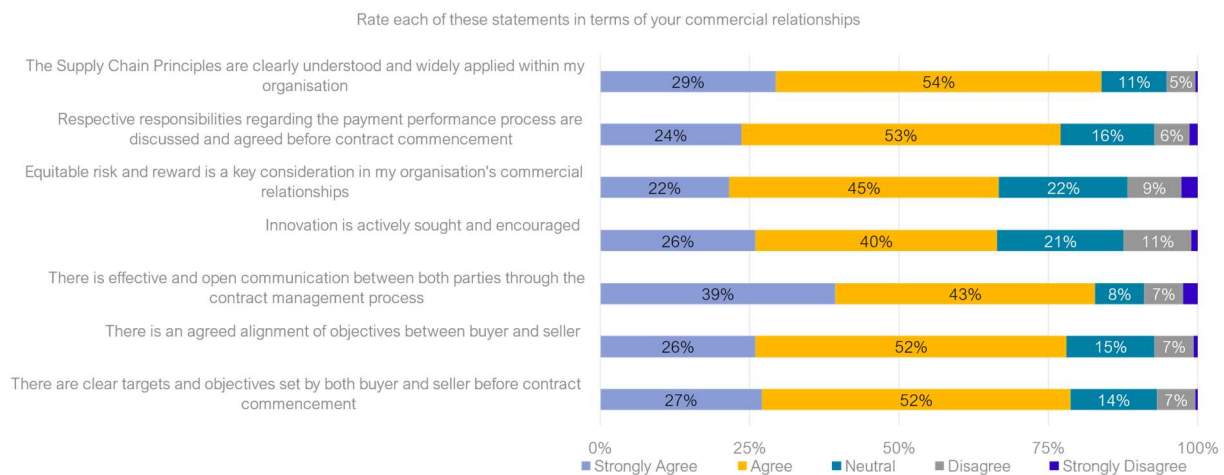


Figure 10: Rating of statements regarding commercial relationships in response to Operators only

The vast majority (83%) either strongly agreed (29%) or agreed (54%) that supply chain principles are understood and widely applied within their organisations. This is equivalent to Tier 1s overall, however with a greater relative proportion saying they agree.



When it comes to the respective responsibilities regarding payment performance, it was either strongly agreed (24%) or agreed (53%) by the majority (77%), that these were discussed and agreed prior to contract commencement. This is similar to those responding to Tier 1s only.

While still a majority (67%), fewer either strongly agreed (22%) or agreed (45%), that equitable risk and reward were a key consideration in their organisation’s commercial relationship. This is similar to the response to Tier 1s only.

A similar amount (66%) either agreed (40%) or strongly agreed (26%), that innovation is actively sought and encouraged. This is a greater percentage than those responding to Tier 1s only.

A majority (82%) of respondents agreed (43%) or strongly agreed (39%) that there is effective and open communication between both parties though the contract management process. – This is considerably greater (12% greater) than those responding to Tier 1s only.

Fewer (78%), either agreed (52%) or strongly agreed (26%), that there was an agreed alignment between buyer and seller – This is equivalent to those responding to Tier 1s only.

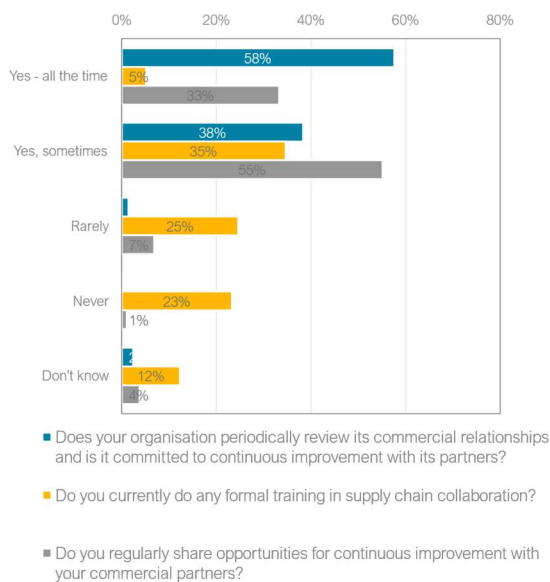


Figure 11: Commitment to continuous improvement and formal training in supply chain collaboration in response to Operators only

Suppliers said that they regularly shared opportunities for continuous improvement with the commercial partners., at least some (33%) or all of the time (55%). This is similar to those responding to Tier 1s only. These results are also presented in Figure 11

Figure 12 shows that 45% of respondents strongly agreed that ensuring the requirements of commercial partners are appropriately met during a contract is a key consideration for their organization y, and a further 47% agreed. This is similar to Tier 1s overall, however with a greater relative proportion saying they agree, than strongly agree.

This is further supported with 79% of respondents, either agreeing (52%), or strongly agreeing (27%), that there are clear targets and objectives set by both the buyer and seller before contract commencement.

Figure 11 shows that this is similar to those responding to Tier 1s only. Suppliers said they periodically review their organisation’s commercial relationships and are committed to continuous improvement with their partners at least, sometimes (38%) or all the time (58%). This is a greater amount than those responding to Tier 1s only.

48% responded that they either rarely (25%) or never (23%) conducted formal training in supply chain collaboration, with 35% saying they did sometimes, and just 5%, all the time. This is an improvement relative to the response to Tier 1s only.

Ensuring the requirements of my commercial partners are appropriately met during a contract is a key consideration for my organisation

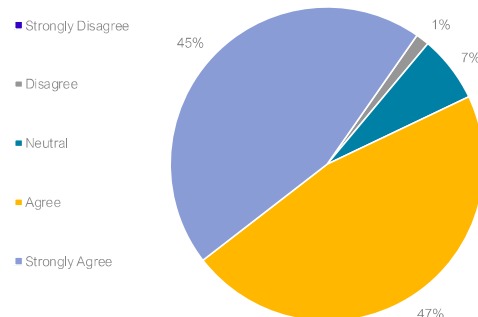


Figure 12: Analysis of commitment to ensuring the requirements of commercial partners (Operators) are met during a contract



4.1.2. Collaboration – Tier 1

This section presents the responses to the collaboration questions for the respondents replying to tier 1 surveys only.

The following graph in Figure 13, shows the main reasons for collaboration, selected from 7 possible options. These have been ranked based on whether each reason was selected as 1st, 2nd, 3rd choice etc.

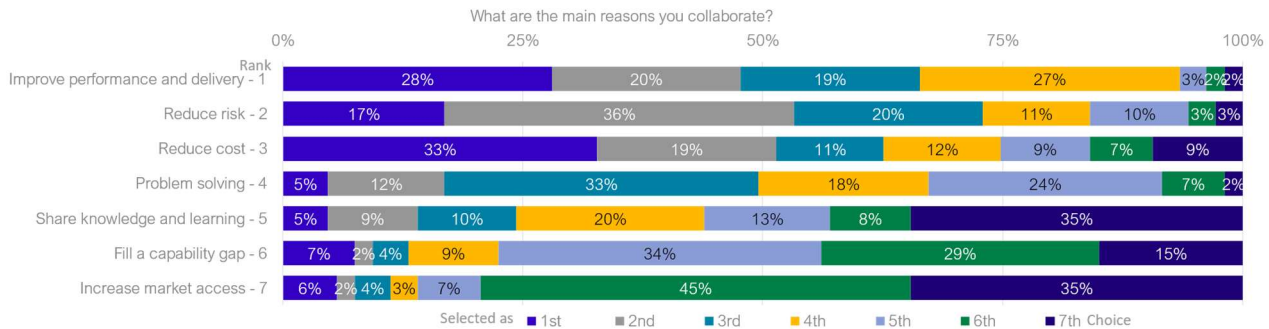


Figure 13: Analysis of the main reasons for collaboration when responding to Tier 1s only

Those responding to Tier 1 companies ranked “improving performance and delivery as their top reason for collaboration, followed by “reducing risk” and “reducing cost” in positions two and three.

Improving performance and delivery was selected as one of the top 3 reasons for collaboration by 67% of respondents. – With 28% selecting it as their first choice.

Reducing risk was surprisingly selected by more, at 73% as one of the top 3 reasons, but is ranked 2nd overall as more respondents also selected it as a 5th to 7th choice when compared to improving performance and delivery.

Reducing cost, was selected as one of the top 3 reasons for collaboration by 63% of the respondents. Interestingly it was also selected by most as their first choice at 33%, however this was only ranked 3rd overall as many also ranked it as their 5th to 7th choice as well, pulling it lower down overall, with as many as 9% selecting it as their 7th choice.

Figure 14, below shows the level of agreement from survey respondents to the 7 statements related to their commercial supply chain relationships.

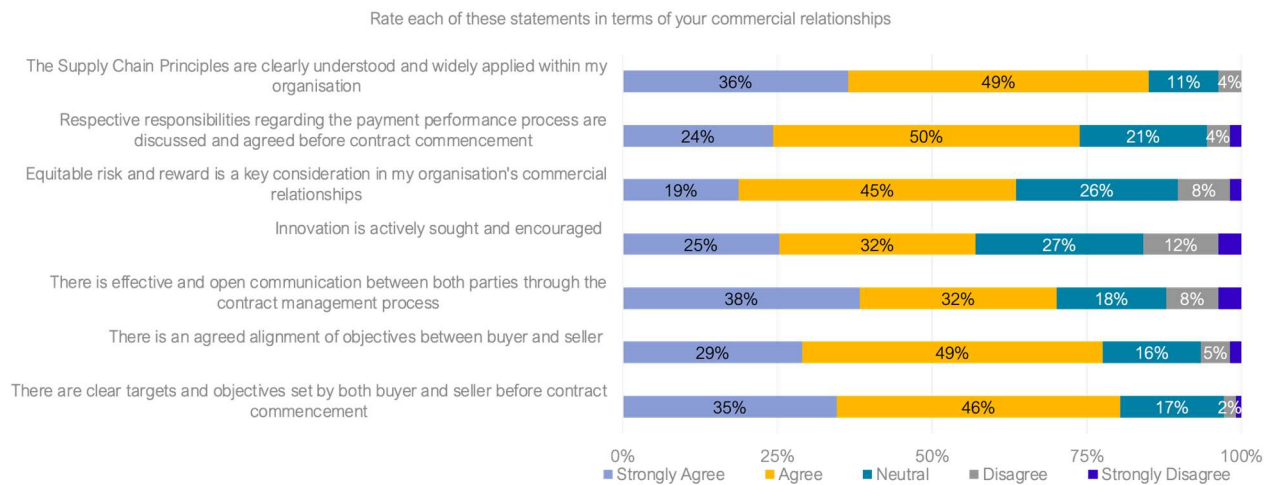


Figure 14: Rating of statements regarding commercial relationships in response to Tier 1s only

The vast majority (85%) either strongly agreed (36%) or agreed (49%) that supply chain principles are understood and widely applied within their organisations.

When it comes to the respective responsibilities regarding payment performance, it was either strongly agreed (24%) or agreed (50%) by the majority (74%), that these were discussed and agreed prior to contract commencement.

While still a majority (64%), fewer respondents either strongly agreed (19%) or agreed (45%), that equitable risk and reward were a key consideration in their organisation's commercial relationship.

Fewer (57%) either agreed (32%) or strongly agreed (25%), that innovation is actively sought and encouraged.

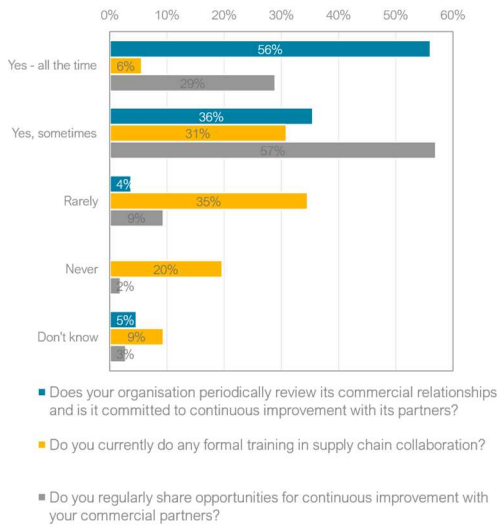
A majority (70%) of respondents agreed (32%) or strongly agreed (38%) that there is effective and open communication between both parties through the contract management process.

An even greater amount (78%), either agreed (49%) or strongly agreed (29%), that there was an agreed alignment between buyer and seller.

This is further supported with 81% of respondents, either agreeing (46%), or strongly agreeing (35%), that there are clear targets and objectives set by both the buyer and seller before contract commencement.



The majority of suppliers said they periodically review their organisation's commercial relationships and are committed to continuous improvement with their partners, with 56% stating this was all the time, and 36% sometimes.



The majority (55%) either rarely (35%) or never (20%) conducted formal training in supply chain collaboration, with only 31% saying they did sometimes, and just 6%, all the time.

Suppliers responded saying that at least some of the time (57%) they regularly shared opportunities for continuous improvement with the commercial partners. 29% of respondents said this was all the time.

These results are presented in Figure 15.

Figure 15: Commitment to continuous improvement and formal training in supply chain collaboration in response to Tier 1s only

Figure 16 shows that 54% of respondents strongly agreed that ensuring the requirements of commercial partners are appropriately met during a contract is a key consideration for their organization, and a further 37% agreed.

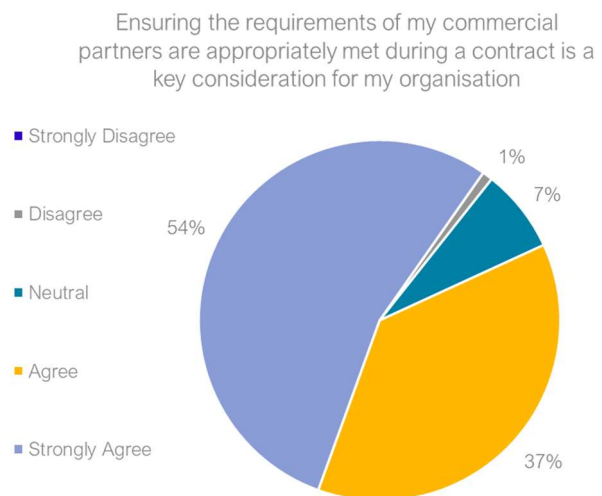


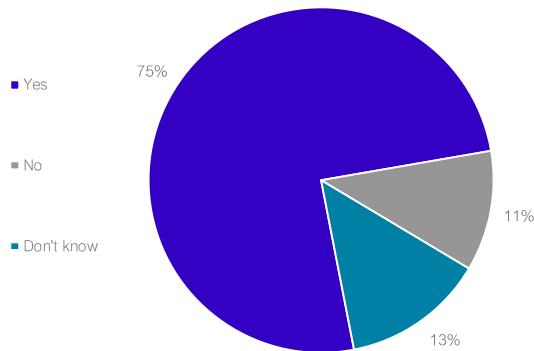
Figure 16: Analysis of commitment to ensuring the requirements of commercial partners (Tier 1s) are met during a contract



4.2. Energy Transition

This section presents the responses to the energy transition questions for all respondents overall, irrespective of the company type.

Does your organisation have a plan in place for the Energy Transition?



Encouragingly, three quarters of respondents replied that their organisations have a plan in place for the Energy Transition. There were 11% that responded No, with a slightly greater amount (13%) that did not know. See Figure 17.

Figure 17: Organisations with a plan in place for the Energy Transition

Figure 18 shows that the vast majority reported that their organisations have made some progress (50%) against their Energy Transition objectives, with a further 23% making great progress and on target. Only 4% said their organisation was making minimal progress and behind target with the remaining saying either they don't have Energy Transition objectives (8%) and 16% did not know.

How is your organisation progressing against their Energy Transition objectives?

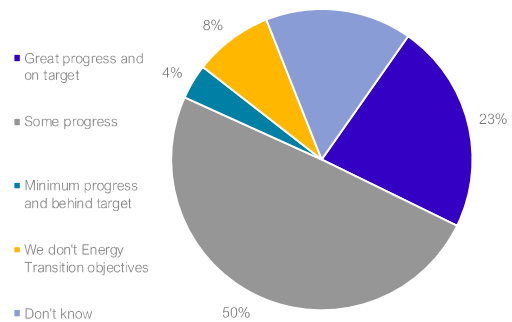
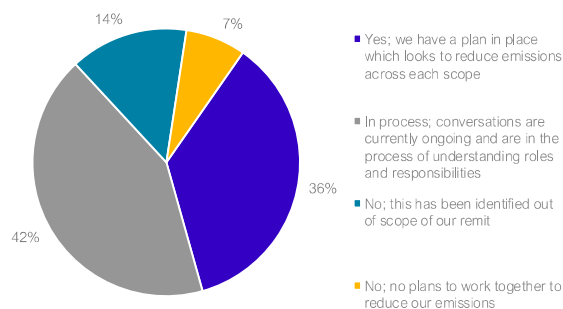


Figure 18: Progress achieved by organisations towards their Energy Transition objectives

Are you currently working with partners to reduce their / your emissions?



Companies are working with their partners to reduce emissions, with 36% confirming that they have a plan in place with their partners to reduce emissions across each scope. A further 42% said that this is in currently in process, with conversations ongoing and are also understanding roles and responsibilities. There were 14% who responded to say it was identified to be outside of the remit of their scope and only 7% saying there were no plans to work together towards this. These are summarised in Figure 19.

Figure 19: Level of engagement with partners towards reducing emissions

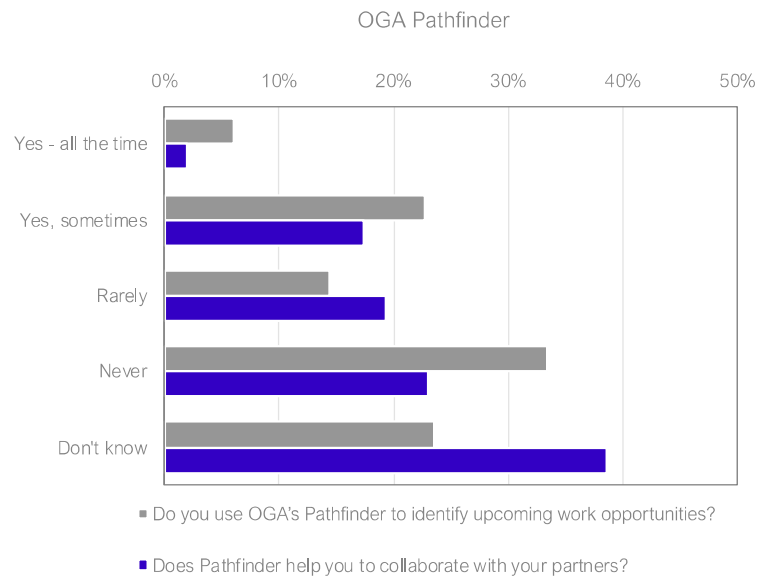


Figure 21: Use of OGA Pathfinder to find work opportunities and to support collaboration with partners.

Figure 22 presents the responses related to the use of other collaboration tools.

For the ECITB Project Collaboration Toolkit, only 15% said yes, they make use of this tool, with the remainder saying either no (46%) or don't know (39%).

For the Advanced Work Packaging tools, even fewer said yes (4%), they make use of this tool, with the remainder saying either no (50%) or don't know (46%).

For Connected Competence tools, only 14% said yes, they make use of this tool, with the remainder saying either no (44%) or don't know (42%).

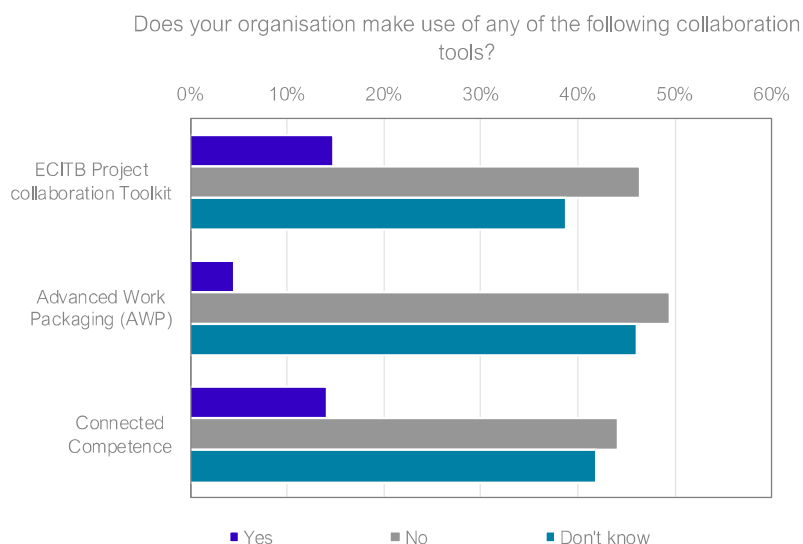


Figure 22: Use of other collaboration tools such as ECITB, AWP and Connected Competence



4.4. Supply Chain Principles

This section presents the detailed results for each Supply Chain Principle. Those Principles included in the overall ranking were scored, according to the methodology described in Section 2, for each of the respondent groups (A to D). The score achieved for each ranked section per company group is shown in Figure 23. For comparison, the average score is also shown across all sections and companies.

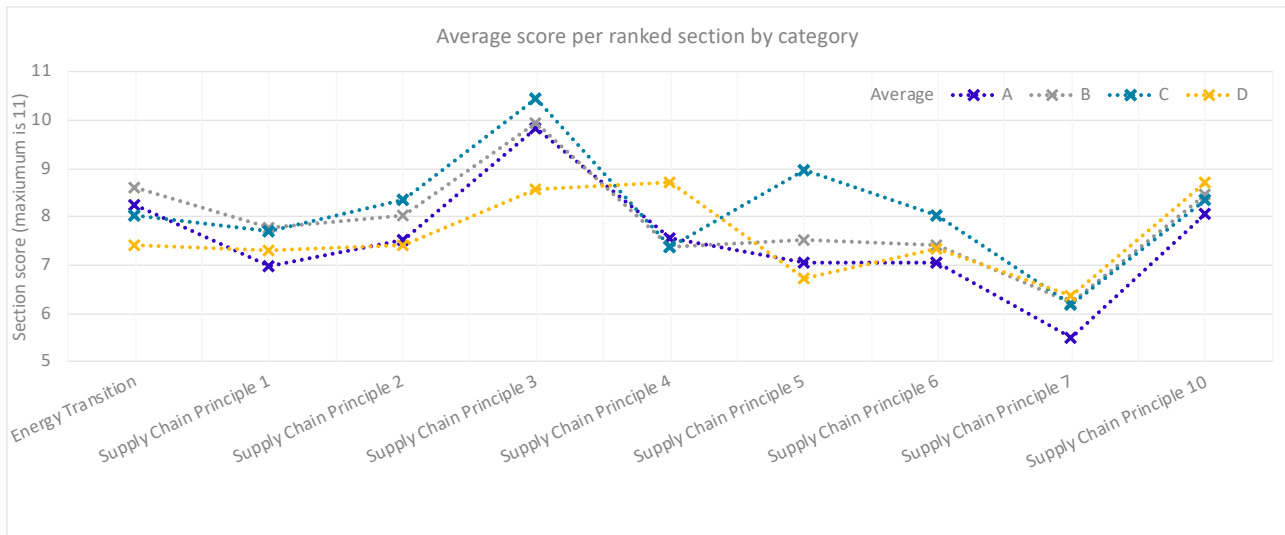


Figure 23: Average scores achieved for each ranked section for each company category, including the overall average score

This shows at a glance the areas where all groups are strong and where they are all weaker, it also highlights differences between groups and shows the difference in performance between the different operator groups as well as the differences between operator and tier 1 groups. Supply Chain Principle 3, relating to skills and competences was the principle that scored most highly across all companies. Supply Chain Principle 7 related to competitive bidding scored the least across the board, identifying this as the area for greatest improvement.

4.4.1. Supply Chain Principle 1: Risk and Reward

The vast majority of respondents 65% of respondents indicated that *risk and reward were formally reviewed during the life cycle of a project*, with 26% of respondents saying this happens all the time, and 39% saying it happens sometimes (See Figure 24).



Is risk and reward formally reviewed during the contract life cycle as part of the Contract Management Plan?

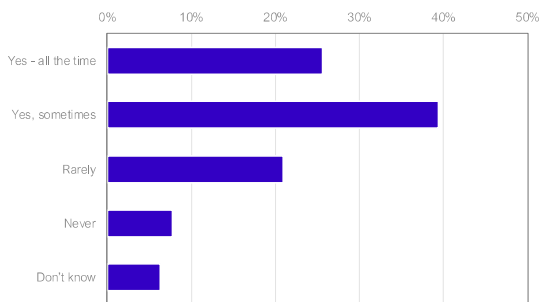


Figure 24: Risk and reward is reviewed during the contract life cycle as part of the contract management plan

Are potential risks and rewards objectively discussed and evaluated before contract commencement and thereafter shared proportionately?

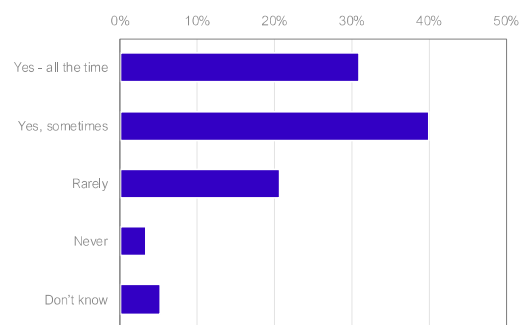


Figure 25: Risk and reward is objectively discussed and evaluated prior to contract commencement and share proportionally thereafter

How often does your organisation amend commercial contracts to rebalance risk and reward?

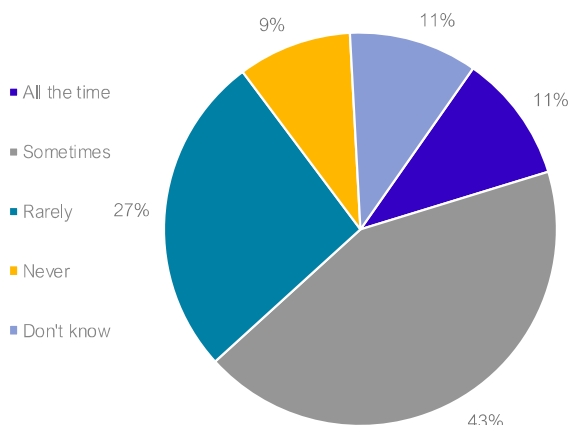


Figure 26: Commercial contracts are amended to rebalance risk and reward by respondents' organisations

Further to this, (71%) said that risk and reward were objectively discussed and evaluated before the commencement of contracts and that thereafter, this was shared proportionally. 31% of respondents said this happens all the time, while 40% said it happens sometimes (See Figure 25).

54% of respondents said commercial contracts are rebalanced to reflect the risk and reward at least sometimes (43%), or all the time (11%) (See Figure 26).

Across all questions, the majority of responses were in alignment with Supply Chain Principle 1. Considering the ranked questions, the adherence to this Principle was very slightly below average compared to the other principles, with Operator Groups B and C outperforming Operator Group A and Tier 1s (Group D).

4.4.1.1. Free text responses

The sentiment in the free text responses did not reflect the majority responses to the questions within this section. There were 70 free text responses out of all 426 respondents in total, with a focus on examples of poor practice. Many of the comments provided suggested that risk was often pushed onto the supply chain for little reward, and that this was very unbalanced or not equitable. Figure 27 below presents a word cloud illustrating the key themes from the free text responses.



4.4.2. Supply Chain Principle 2: Payment Performance

Figure 28 shows that 59% of respondents agreed that the *accounts payable process* is always explained before commencement, with 27% saying it is sometimes explained. *Invoice dispute resolution processes* were always well explained for 48% of respondents and sometimes well explained for 32%. Of the 63% of respondents that stated that there are *payment performance metrics* agreed, 25% were always agreed and 38% were only sometimes agreed. 44% indicated that *invoices were always paid according to the terms and conditions*, while 45% said this happened sometimes. 7% said on time payment rarely or never happened.

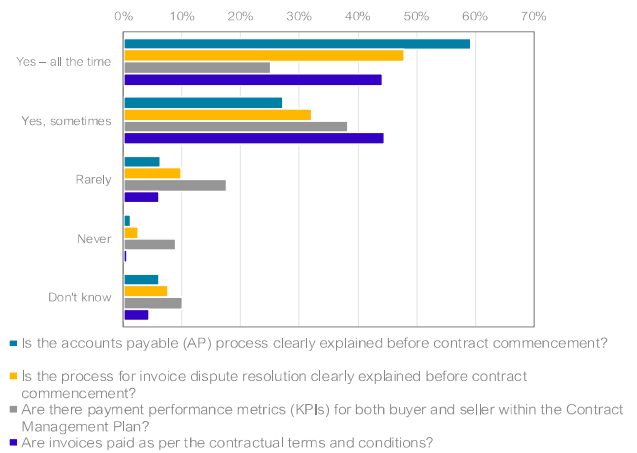


Figure 28: Explanation of the accounts payable process, inclusion of an invoice dispute resolution processes, inclusion of payment performance metrics within the Contract Management Plan and payment of invoices as per the contract terms and conditions

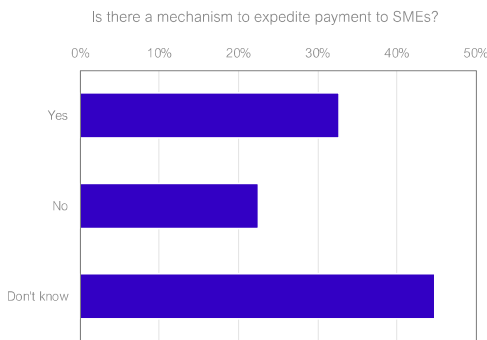


Figure 29: Mechanism to expedite payments to SMEs

Figure 30 highlights that for 75% of respondents, *30 day payment terms were standard*, 16% said 60 days, and 3 % 90 days. Certain comments received suggest that 45 days is also a standard payment term.

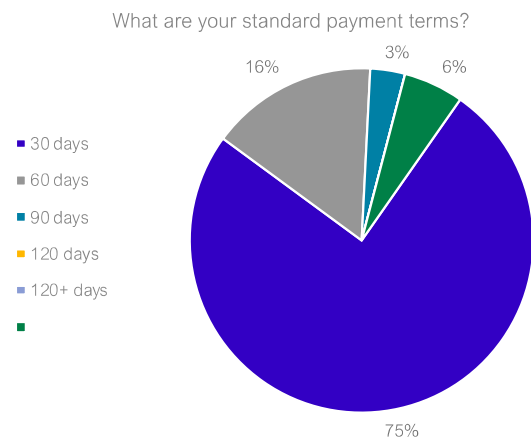


Figure 30: Analysis of standard payment terms

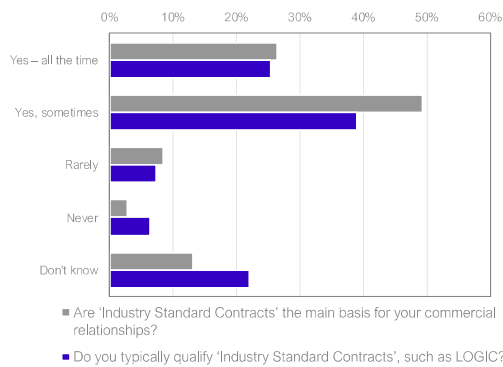


Figure 31: Use of industry standard contracts and qualifications of them

Figure 31 shows that most respondents (75%) use *Industry Standard Contracts for the basis* for at least some of their commercial relationships - with 26% indicating they are used all of the time and 49% some of the time.

For 64% of respondents, these *contracts require qualification/ modifications* some or all of the time, however for 36%, only 10 or less changes are typically required as shown in Figure 32.

Most of the respondents (55%) indicated they were able to make an *adequate return on their investment, and further invest to innovate and develop new technology*. 10% said comfortably, 45% said somewhat as shown in Figure 33.

Across most questions the majority of responses were favourable and in alignment with Supply Chain Principle 2, except that of expediting payments to SMEs, where only 33% were able to state that they knew of a mechanism for this.

Considering the ranked questions, the adherence to this Principle was average compared to the other principles, with Group D, Tier 1s ranked the lowest.

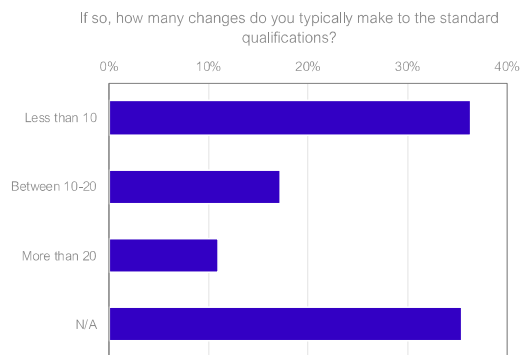


Figure 32: The typical number of qualifications made to industry standard contracts

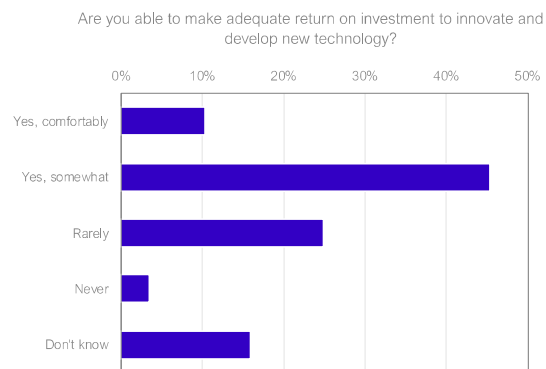


Figure 33: Making adequate return on investment to innovate and develop new technology



4.4.2.1. Free text responses

There were 52 free text responses received for this section out of the 426 responses – offering an equal mix of encouraging and positive responses, and those less positive around payment terms being pushed out beyond 30 days. A word cloud of the extracted key phrases is shown in Figure 34.

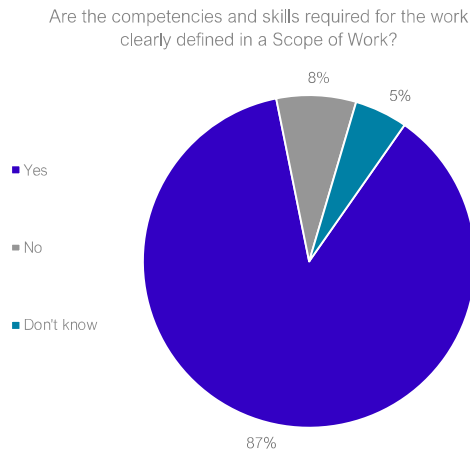
Do you have any other comments related to payment performance?



Figure 34: Word cloud based on free text responses to Supply Chain 2 related to payment performance

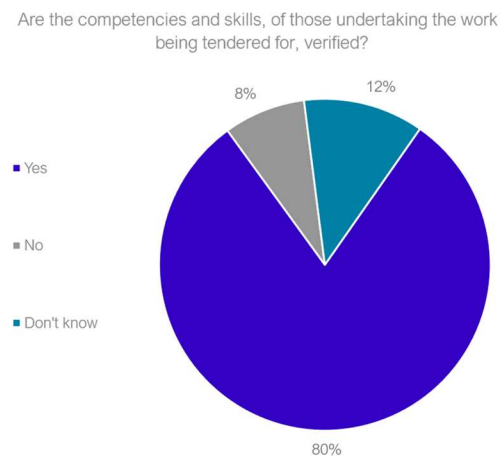


4.4.3. Supply Chain Principle 3: Competency and Skills



The vast majority (87%) said that *the competencies and skills required for the work are clearly defined, as shown in Figure 35.*

Figure 35: Competency and skills required for work are clearly defined in the work scope



Meeting these competencies and skills is also verified for 80% of the respondents, shown in Figure 36.

Overall, Supply Chain Principle 3, had the greatest adherence compared to all other ranked Principles, significantly above the average across all ranked sections. Operator groups noticeably outperformed the Tier 1s (Group D) as well.

Figure 36: Competency and skills are verified

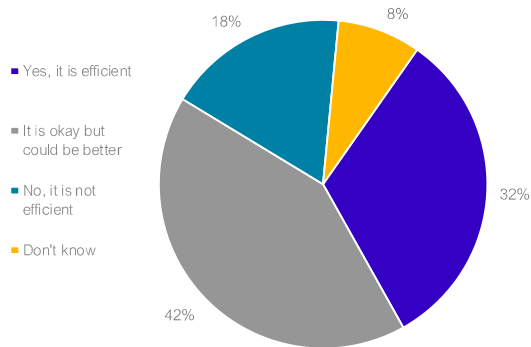
4.4.3.1. Free text responses

There were only 26 free text responses received related to the section out of the 426 responses. Most seem to suggest that skills and competencies are regularly demonstrated and assessed, including support with training and internal management, however while demonstratable on the supplier side, some responses suggest that clients will push other factors above this. A word cloud of the extracted key phrases is shown in Figure 37.



4.4.5. Supply Chain Principle 5: Optimising Tendering Resources

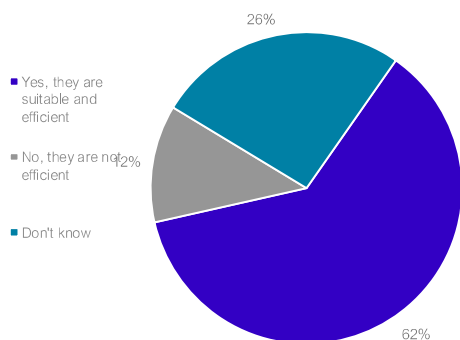
Is the tender process efficient, to make sure your resources are not unnecessarily impacted or wasted?



Most (42%) felt that the tendering process could be better, as it was unnecessarily impacting on and wasting resources, with a further 18% suggesting it is not efficient at all, as shown in Figure 41.

Figure 41: Efficiency of the tender process

Are the audit requirements suitable and efficient?



Only 32% felt it was an efficient process. However, when it came to auditing requirements, most (62%) thought they were suitable and efficient. This is shown in Figure 42.

Figure 42: Efficiency and suitability of audit requirements

Are there opportunities to engage partners at the pre-tender stage, to help inform what is being tendered for?

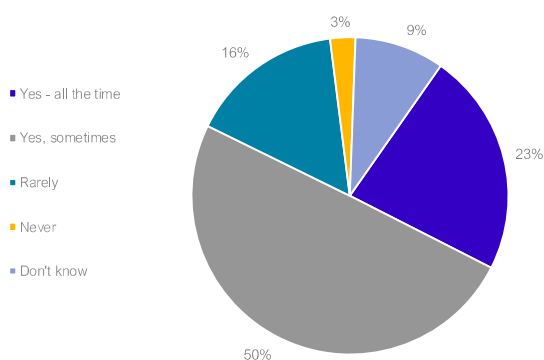


Figure 43 shows that the vast majority (73%) of respondents said that there are opportunities to engage partners at the pre-tender stage, which helped inform what is being tendered at least some or all of the time. 23% said this always happened, 50% sometimes while 16% said this was rarely the case.

Figure 43: Opportunities for pre-stage engagement with partners

Adherence to Supply Chain Principle 5 (Optimising tender resources) was slightly below the average score across all Principles. Operator Group C was above average and significantly outperformed all other Groups (A, B, D) which were below average.

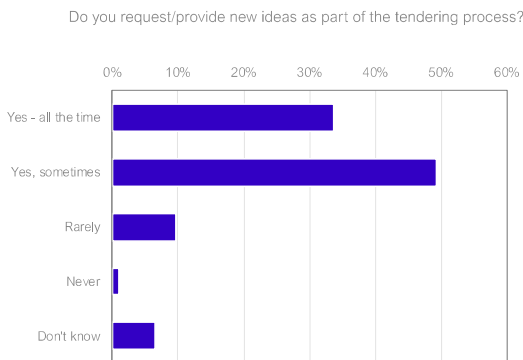


Figure 45: New ideas are requested or provided

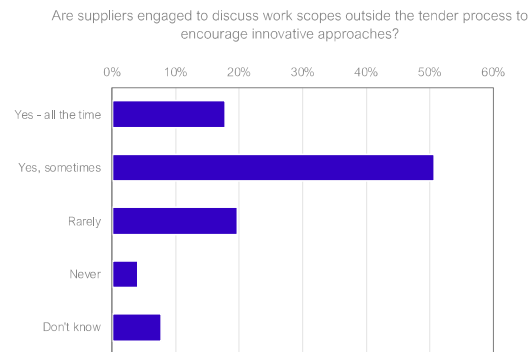


Figure 46: Innovative approaches are encouraged with supplier engaged to discuss work outside the scope of the tender process

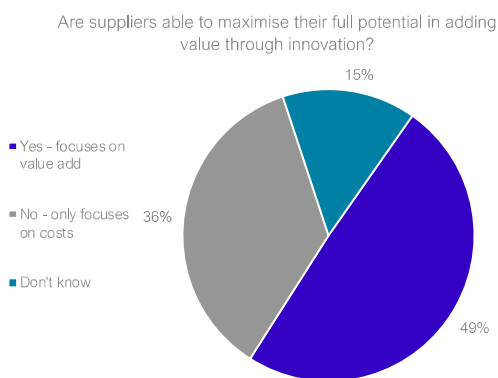


Figure 47: Suppliers are able to maximise their full potential by adding value through innovation

Figure 47 shows that only 49% of suppliers were able to *maximise their full potential in adding value through innovation*, while 36% felt that the focus was more on costs.

Adherence to Supply Chain Principle 6 (Innovative ways of working) was slightly below the average across all principles. Operator Group C was above average and marginally outperformed all other Groups (A, B, D) which were below average.

4.4.6.1. Free text responses

There were 49 free text responses for this section out of the total 426 responses – In general the comments suggest that cost was a greater decider than added value during tendering processes, with many feeling that innovation and new ideas are unlikely to improve success during tendering. A word cloud of the extracted key phrases is shown in Figure 48.



Do you have any other comments related to innovative ways of working?



Figure 48: Word cloud based on free text responses to Supply Chain 6 related to innovation in tenders

4.4.7. Supply Chain Principle 7: Alternative Bids

Figure 49 shows that alternative bids were allowed during most tender processes (54% sometimes, 26% all the time). Of these, they were never (29%) or rarely (25%) shared with other bidders for price comparison purposes - however 29% of respondents did say they have been asked sometimes to price against an alternative solution by another bidder, and 4% responded that this was all the time. Less than 50% of respondents said that alternative bids had been successful in the last 12 months - with only 4% responding this happened all the time, 29% sometimes, 17% saying rarely while 22% responded never.

Adherence to Supply Chain Principle 7 (Alternative bids) was significantly below average, and the ranked principle with the poorest adherence. Tier 1 Group D was the best performer relative to the other groups, marginally outperforming Operator Groups B and C, while Operator Group A was noticeably the Group with the lowest adherence.

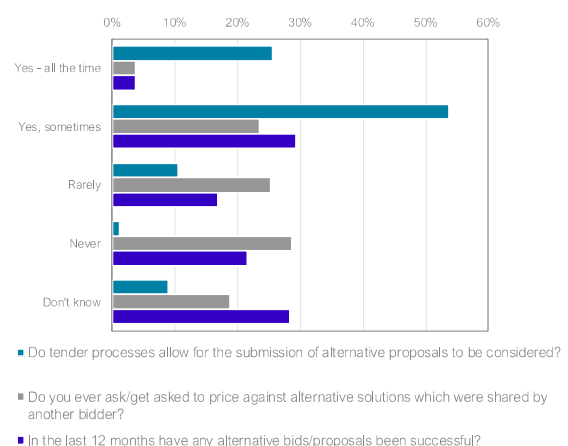


Figure 49: Alternative proposals or bids during the tender process



4.4.7.1. Free text responses

There were only 33 free text responses for this section out of a total 426 responses – The vast majority simply stated that tenders are usually specific and alternative bids are not applicable or considered, with an overall negative sentiment to the process. There was also uncertainty around the alternative bid process in a tender. A word cloud of the extracted key phrases is shown in Figure 50.

Do you have any other comments related to alternative bids?

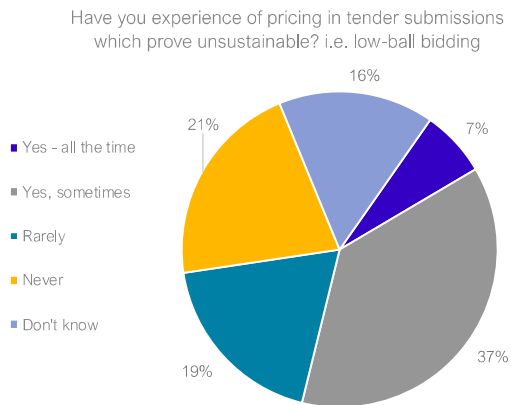


Figure 50: Word cloud based on free text responses to Supply Chain 7 related to alternative bids



4.4.8. Supply Chain Principle 8: Low Ball Bidding

Low ball bidding was experienced sometimes by 37% of respondents and all the time by 7%, which is greater than those reporting rarely at 19% or never at 21% (the remainder did not know), as shown in Figure 51. Of these, when this did occur, contracts were re-negotiated sometimes (40%) or all the time (4%) otherwise this only happened rarely at 27% or never at 15% of the time, as shown in Figure 52.



Supply Chain Principle 8 (Low ball bidding) was not included as a ranked principle as the questions were not constrained to a defined time period (e.g. within the previous year), and therefore may not be a fair reflection of a company's current progress to adhering to this Principle. Relative performance between Groups were therefore not available, however using the PowerBI Dashboard, a comparison could still be made. This showed that there were more companies which have experienced low-ball bidding than not – and this was much more evident when considering operators only (as survey owners) compared to Tier 1s, Tier 2s and SMEs. This would also often lead to re-negotiations of the contracts.

Figure 51: Pricing in tender submissions is proving to be unsustainable

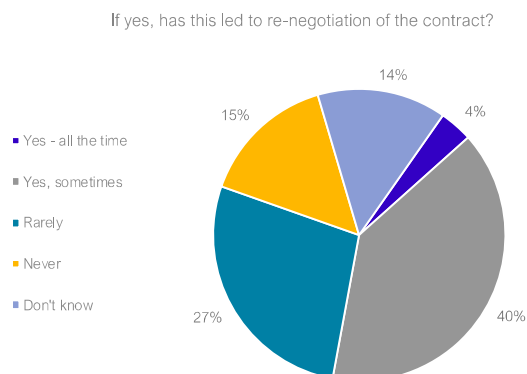


Figure 52: Low-ball bidding has resulted in re-negotiation of the contract

4.4.8.1. Free text responses

There were a considerable 61 free text responses for this section from the 426 total responses – The vast majority of the comments received were very against low ball bidding, but acknowledged it is prevalent in the O&G industry still, with an overall negative sentiment. Many responses shared experiences of losing out on contracts due to low-ball bidding, with some also saying they do not partake in such a process. A word cloud of the extracted key phrases is shown in Figure 53.



Do you have any other comments related to low-ball bidding?



Figure 53: Word cloud based on free text responses to Supply Chain 8 related to low ball bidding

4.4.9. Supply Chain Principle 9: Labour Agreements

Figure 54 and Figure 55 show that the vast majority of respondents indicated they did not know about labour agreements in place across the workforce, or they were not applicable. Of those that were able to answer, most supported the minimum terms and rate escalation mechanisms of the respective labour agreements.

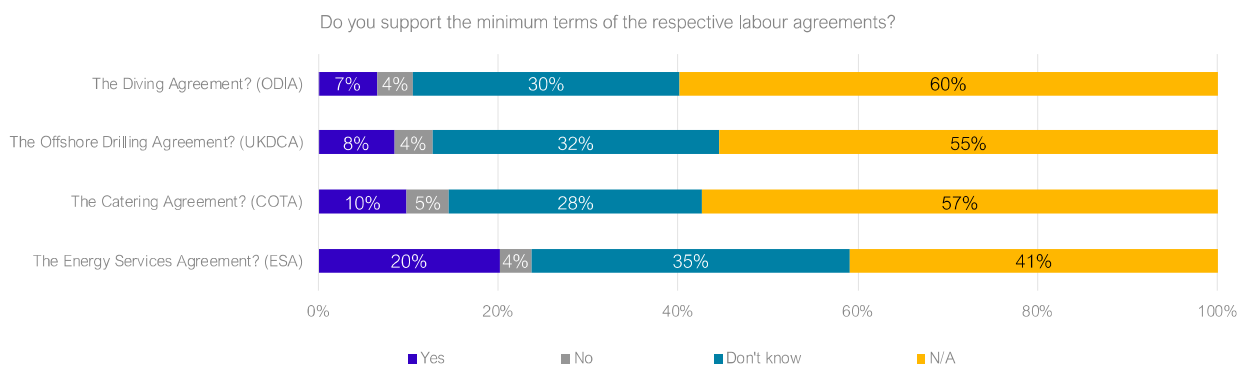


Figure 54: Support for the minimum terms in the respective labour agreements

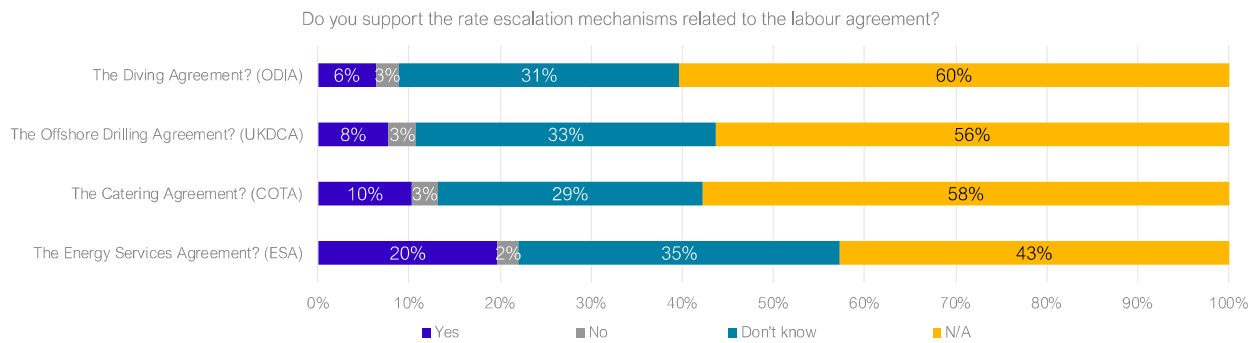


Figure 55: Support for the rate escalation mechanisms for the respective labour agreements

Supply Chain Principle 9 (Labour agreements) was not included as a ranked principle as the questions were not reflective of the specific survey owner, but instead reflected the position of the respondents. Therefore, the results are unlikely to reflect company's current position or progress to adhering to this Principle. Relative performance between Groups therefore was not available, however using the PowerBI Dashboard, a comparison could still be made. By making use of the PowerBI Dashboard, it is possible to see that there were only small differences in the responses when considering operators only (as survey owners) compared to Tier 1s, Tier 2s and SMEs combined.

4.4.9.1. Free text responses

There were only 31 free text responses related to this section, from the 426 total responses – Most responses suggest that rate escalation mechanisms are not applicable or available, and that market driven approaches are more common instead. Very few indicated that rate escalation mechanisms were in place. A word cloud of the extracted key phrases is shown in Figure 56.



Do you have any other comments related to labour agreements?



Figure 56: Word cloud based on free text responses to Supply Chain 9 related to labour agreements

4.4.10. Supply Chain Principle 10: Escalation Mechanisms

The vast majority of respondents indicated they either never (30%) or rarely (39%) had to escalate disputes to the MD level before finding a resolution, as shown in Figure 57. Only 1% said this occurs all the time, with 23% responding, sometimes. Figure 58 shows that only 8% of respondents never felt comfortable addressing issues to the MD, while 14% were neutral, with 30% mostly comfortable and 43% absolutely comfortable.

An overwhelming 88% of respondents felt they had a positive and constructive relationship with their commercial partner - Only 3% responded no, with the remainder neutral or didn't know. This is shown in Figure 59.

Do you ever need to escalate disputes to MD level for effective resolution?

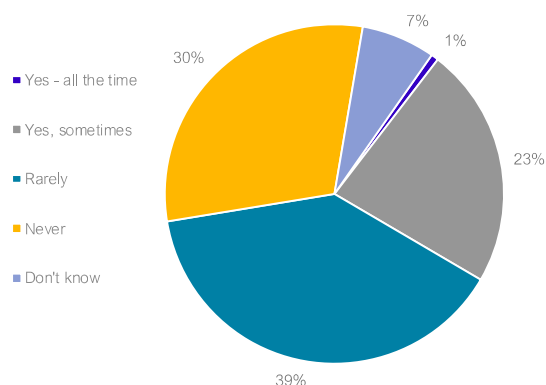


Figure 57: Need to escalate disputes to the MD level



Are you comfortable to address any issues you have directly with the MD?

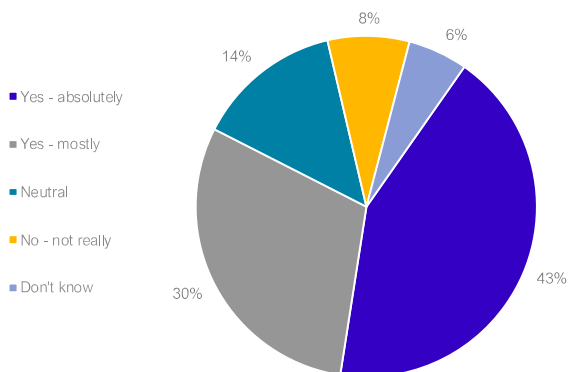


Figure 58: Issues can be comfortably raised directly with the MD

Do you feel you have a positive and constructive relationship overall with your commercial partner?

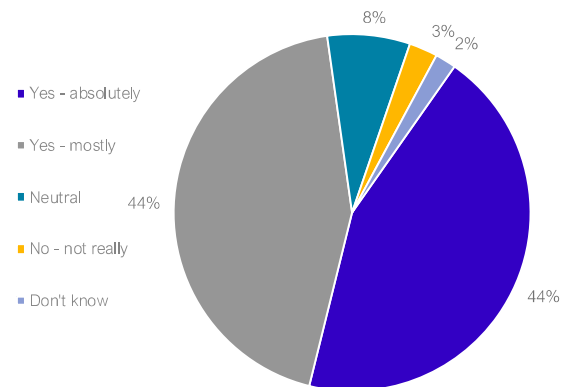


Figure 59: Relationship with commercial partner is overall positive and constructive

Adherence to Supply Chain Principle 10 (Dispute escalation) was above average score across all supply chain principles, and the second highest ranked principle or section overall. Tier 1 Group D was the best performer relative to the other groups, marginally outperforming Operator Groups B and C, while Operator Group A was the group with the lowest adherence.

4.4.10.1. Free text responses

There were only 29 free text responses from all 426 responses overall – The vast majority supported the idea that escalation mechanisms should be available but would be hopefully unnecessary with the appropriate contract in place. Many responded to say they have not needed to escalate yet, which was considered positive. In general the sentiment was largely positive and suggested companies had good relationships and are open to discussion, including escalation when necessary. A word cloud of the extracted key phrases is shown in Figure 60.



Do you have any other comments related to escalation mechanisms?



Figure 60: Word cloud based on free text responses to Supply Chain 10 related to escalation mechanisms



5. RANKING

There was a total of 25 companies out of the 57 that generated surveys, that received more than 5 survey responses. These companies were scored based on the methodology described in Section 2 and then ranked relative to each other.

Companies which were ranked in the top 3 of within a specific section as part of the overall ranking, are highlighted, with a number shown on the graph (e.g. Company 35 in Group A below). This ranking refers across all 25 included companies and is not limited within the specific groups.

5.1. Group A – Operators

Group A contained 6 participating operators in the survey. The maximum overall score achieved was 70, while the least was 66, the smallest range by far out of all 4 groups, as shown in Figure 61. The only company achieving a top 3 place for any of the categories was Company 35 which achieved third place overall in the Energy Transition category.

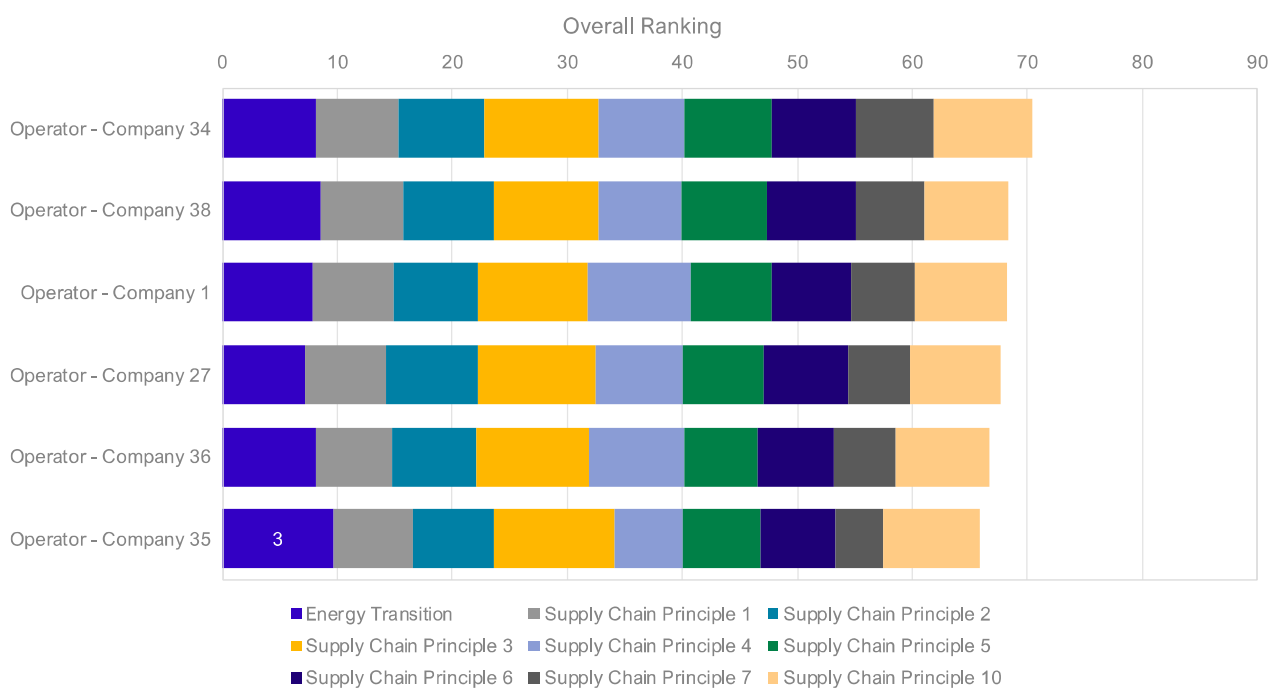


Figure 61: Comparison and overall ranking of Group A Operators

5.2. Group B – Operators

Group B contained 7 participating operators in the survey. The maximum overall score achieved was 79, while the least was 61, shown in Figure 62. This was a greater range compared to Group A's range of results. Company 26, the top performer in this group, achieved first place in Supply Chain Principle 1 (Risk and reward), first place in Supply Chain Principle 6 (Innovation in tenders), second place in Supply Chain Principle 7 (Alternative bids) and third place in the Energy Transition category. Company 28, which ranked second in this group, achieved first place in the Energy Transition category and second place in Supply Chain Principle 10 (Escalation mechanisms). Company 33, ranked third in this group, and achieved first place in Supply Chain Principle 2 (Payment performance) and in Supply Chain Principle 3 (Competency and skills).

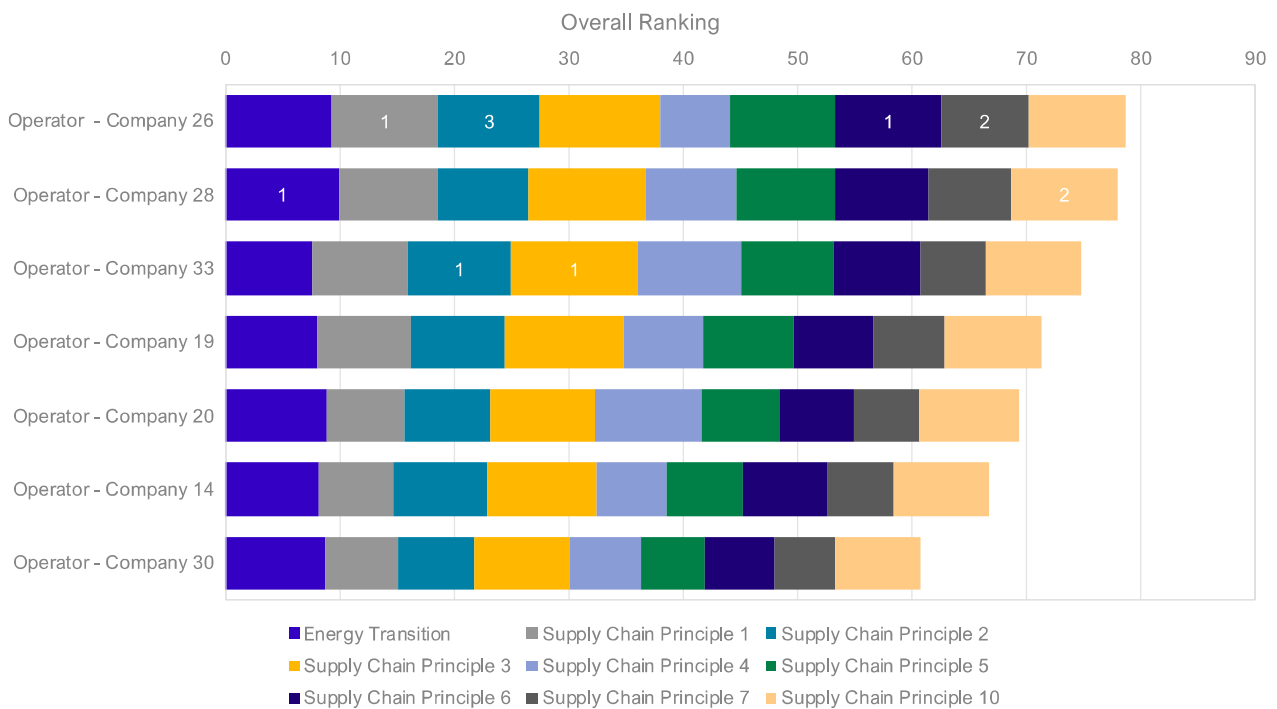


Figure 62: Comparison and overall ranking of Group B Operators

5.3. Group C – Operators

Group C contained 6 participating operators in the survey. The maximum overall score achieved was 83, while the least was 65, as shown in Figure 63. This was a similar range compared to Group B.

Company 17, the top performer in this group and overall, achieved first place in Supply Chain Principle 7 (Alternative bids) and Supply Chain Principle 10 (Escalation mechanisms) and second place in Supply Chain Principle 1 (Risk and reward) and Supply Chain Principle 2 (Payment performance).

Company 12, which ranked second in this group, tied first place in Supply Chain Principle 3 (Competency and skills), achieved second place in the Energy Transition, and third place in Supply Chain Principle 4 (Contract cancellations).

Company 16, ranked third in this group, tied first place in Supply Chain Principle 3 (Competency and skills) and achieved third place in Supply Chain Principle 1 (Risk and reward), and third place in Supply Chain Principle 6 (Innovation in tenders).

Company 37, ranked fourth in this group, achieved tied first place in Supply Chain Principle 3 (Competency and skills).

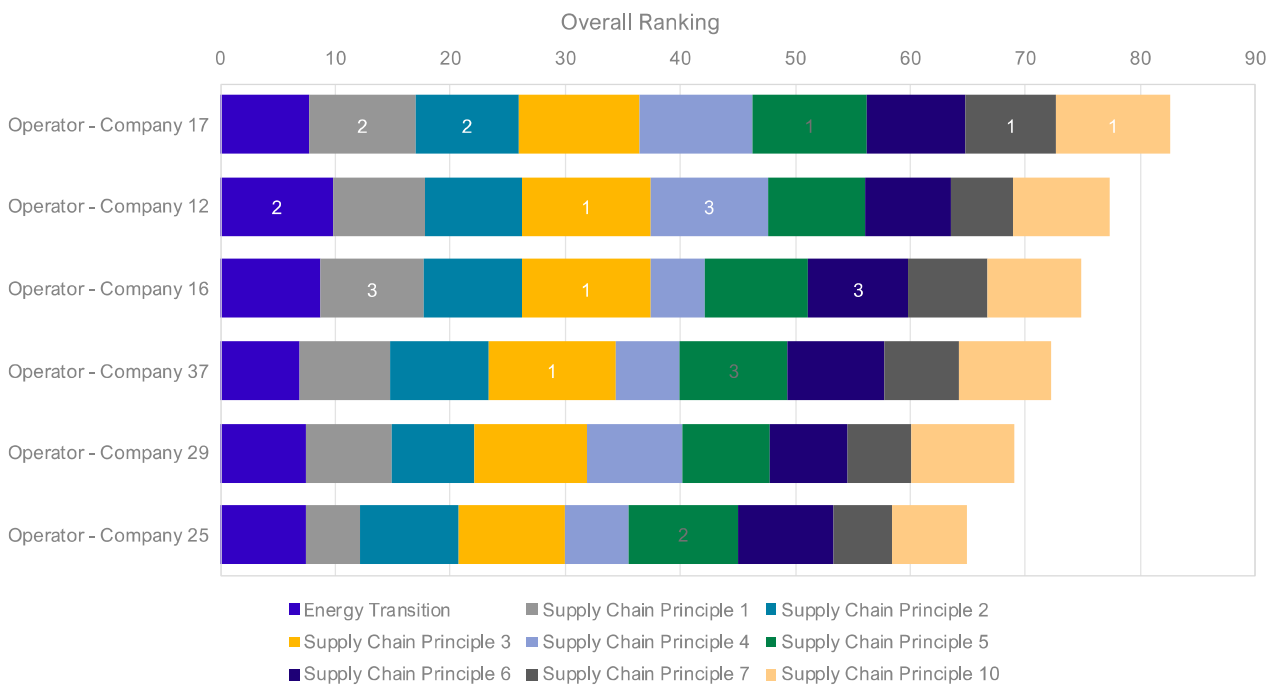


Figure 63: Comparison and overall ranking of Group C Operators

5.4. Group D – Tier 1s

Group D contained 6 participating Tier 1 companies. The maximum overall score achieved was 76, while the least was 60 as shown in Figure 64. This was a similar range compared to Group B.

Company 9, the top performer in this group and overall, achieved first place in Supply Chain Principle 7 (Alternative bids) and Supply Chain Principle 10 (Escalation mechanisms), and second place in Supply Chain Principle 1 (Risk and reward) and Supply Chain Principle 2 (Payment performance).

Company 15, which ranked second in this group, tied first place in Supply Chain Principle 3 (Competency and skills), achieved second place in the Energy Transition, and third place in Supply Chain Principle 4 (Contract cancellations).

Company 16, which ranked third in this group, tied first place in Supply Chain Principle 3 (Competency and skills) and achieved third place in Supply Chain Principle 1 (Risk and reward), and in Supply Chain Principle 6 (Innovation in tenders).

Company 37, ranked fourth in this group, and achieved tied first place in Supply Chain Principle 3 (Competency and skills).

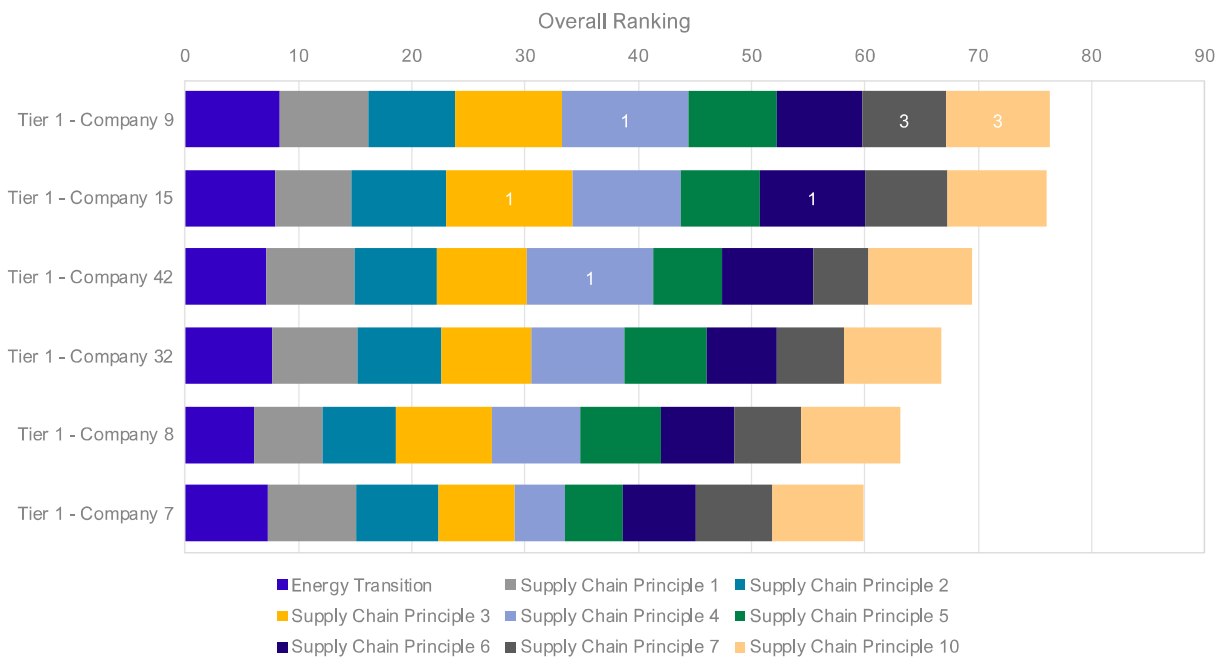


Figure 64: Comparison and overall ranking of Group D Tier 1 companies

5.5. Overall

The highest ranked company overall was Company 17, from Operator Group C, the second and third place companies, Company 26 and 28 respectively, were from Operator Group B, fourth place was Company 12 from Operator Group C, with the top 5 closed out by Company 9 from Tier 1 Group D. All top 10 positions consisted of companies from Groups B, C and D, with the top performing company from Operator Group A, Company 34, placing just outside in 11th position overall. Figure 65 provides a summary graph of all ranked companies.

Companies within Operator Group C were on average the top performers, this was followed by Group B companies, and then Group D and Group A which were quite similar overall. Group D had the smallest variance overall, meaning they scored the most consistently across the ranked sections, as shown in Table 2. Group B had the next lowest variance, with Groups A and C both similar.

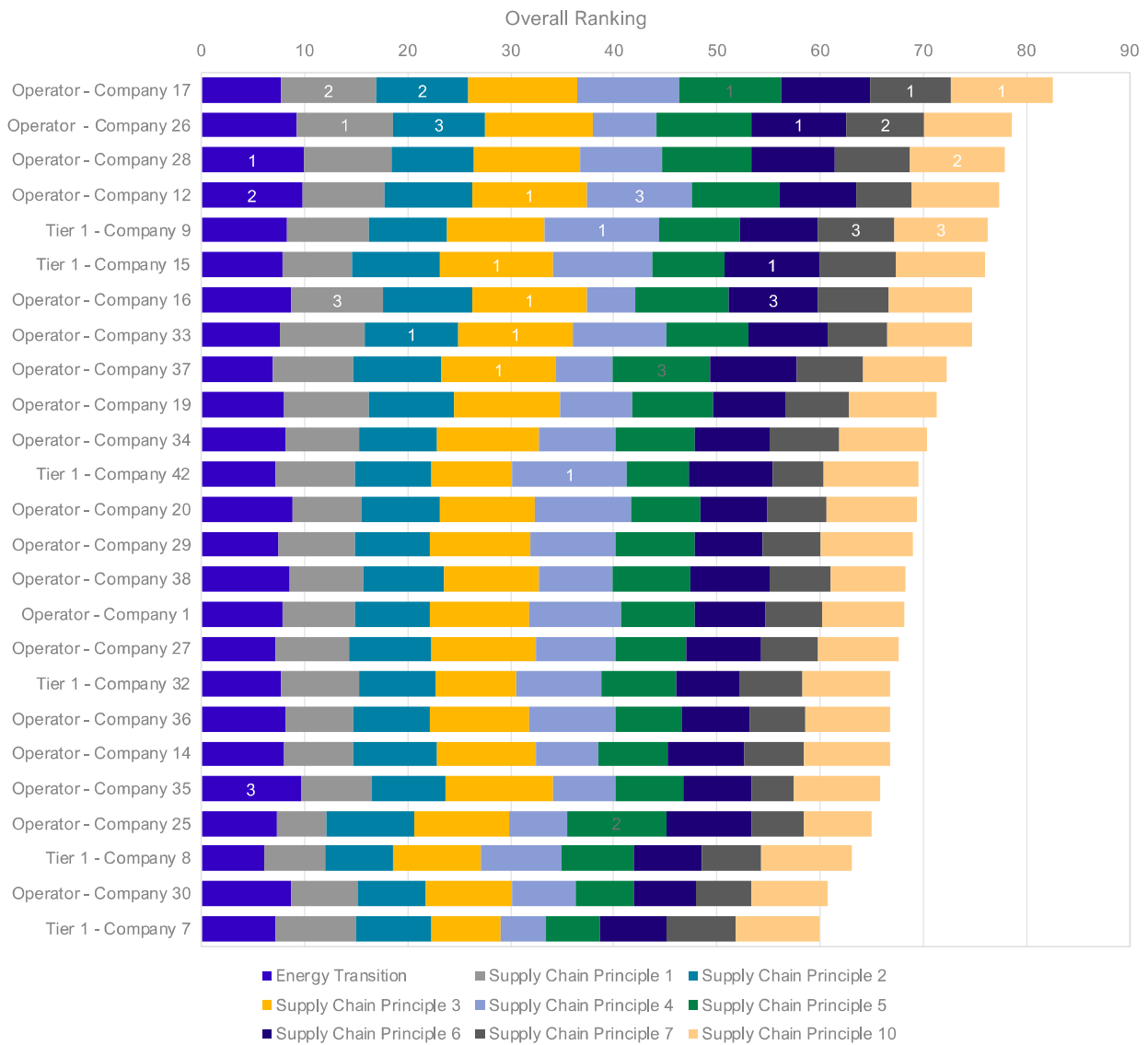


Figure 65: Comparison and overall ranking of all companies

Table 2: Average scores for ranked sections by Groups

Groups	Energy Transition	Supply Chain Principle 1	Supply Chain Principle 2	Supply Chain Principle 3	Supply Chain Principle 4	Supply Chain Principle 5	Supply Chain Principle 6	Supply Chain Principle 7	Supply Chain Principle 10	Average	Variance
A	8.24	6.99	7.54	9.84	7.56	7.07	7.04	5.51	8.07	7.54	1.37
B	8.62	7.77	8.04	9.93	7.39	7.52	7.43	6.22	8.46	7.93	1.06
C	8.02	7.70	8.37	10.47	7.39	8.98	8.03	6.20	8.35	8.17	1.35
D	7.40	7.30	7.42	8.59	8.70	6.72	7.36	6.37	8.74	7.62	0.75
Average	8.07	7.44	7.84	9.71	7.76	7.57	7.46	6.07	8.40	7.82	



6. CONCLUSIONS

Key conclusions from the survey are summarised in this section.

6.1. Participation

There were 59 individual surveys created by companies based in the UK Continental Shelf (UKCS) along with a generic survey which would allow anyone to also respond independently.

During the time between September and December when the surveys were active a total of 426 responses were received. This represents a 230% increase over the previous year.

25 of the individual surveys received more than the minimum 5 responses required, to be able to receive their results and ranking, 19 of these related to Operators and 6 were Tier 1s. There were 2 companies which asked to not participate after initially requesting surveys.

The remaining 34 surveys were made up of

- 4 operators - 1 withdrew participation, 1 had less than 5 and 2 had zero responses at all.
- 10 Tier 1s - 3 had less than 5 and 7 had zero responses at all.
20 Tier 2s/SMEs – of which 14 had less than 5 responses and 6 had no responses.

Those survey links for which no responses were generated and all the Tier 2/SME survey links generated were most likely as a result of a misunderstanding of the purpose of the company bespoke surveys. The OEUK generic survey link was intended for most of those situations. The OEUK survey link received 13 responses.

Even though the low participation surveys were not able to be included in the company rankings, all responses received were still analysed as part of the consolidated analysis.

Of the 426 responses received via the above survey links, 48% were from Tier 2s, SMEs and other companies, 46% were Tier 1s and 6% were from operators.

6.2. General Sentiment

The Working As One survey results have enabled insight into supply chain behaviours and sentiment. As well as results of the questions related to the 10 supply chain principles, feedback has also been collated on the reasons for and effectiveness of collaboration and also on progress to date related to the Energy Transition.

Positive responses indicated that 83% of respondents either strongly agreed (36%) or agreed (49%) that supply chain principles are understood and widely applied within their organisations.

In addition, 75% of respondents felt that their organisations were addressing the Energy Transition. 36% of respondents already have a plan in place with their partners to reduce emissions across each scope and a further 42% said that this is currently in process.

In terms of the supply chain principles, Supply Chain Principle 3, relating to skills and competences was the principle that scored most highly across all companies. Supply Chain Principle 7 related to competitive bidding scored the least across the board, identifying this as the area for greatest improvement. However, the low scores across the board for Supply Chain Principle 7 are likely to be due to the lack of awareness of the success rate of alternate bids generally, and hence a large proportion of responses being “rarely”, “never” or “don’t know”.



6.3. Supply Chain Differences and Focus Areas

Tier 1s were found on average to perform better than all operator groups in Supply Chain Principles 4 (Contract cancellation) and 10 (Escalation mechanisms), and worse than all operators in Supply Chain Principles 2 (Payment performance), 3 (Competency and skills) and 5 (Optimising tendering resources), as well as in Energy Transition.

The operators in Group C on average, performed best (or equally top) out of all operators for Supply Chain Principles 1 (Risk and reward), 2, 3, 5, 6 and 7.

Operator Group B performed best on average for Energy Transition and for Supply Chain Principles 1, 7 and 10.

Operator Group A on average, performed best compared to the other operator groups for Supply Chain Principle 4.

For Supply Chain Principle 1 (Risk and reward) there was good adherence to the Principles, across all question however this Principle was very slightly below average compared to the other principles. When considering the Groups, Operator Group B and C outperformed Operator Group A and Tier 1s (Group D).

Across most questions the majority of responses were favourable and in alignment with Supply Chain Principle 2 (Payment performance), except that of expediting payments to SMEs, where over 40% did not know whether mechanisms for this were available, which was greater than those that responded yes or no. Considering the ranked questions, the adherence to this Principle was average compared to the other principles, with Group D, Tier 1s ranked the lowest and Group C the highest.

Supply Chain Principle 3 (Competency and skills) had the greatest adherence overall compared to all other ranked Principles, significantly above the average across all ranked sections. Operator groups noticeably outperformed the Tier 1s (Group D) as well.

Adherence to Supply Chain Principle 4 (Contract cancellations) was average. Notably all three Operator Groups were below average and outperformed by Tier 1 Group D which was above average and ranked significantly higher in this section.

Supply Chain Principle 5 (Optimising tender resources) and Supply Chain Principle 6 (Innovation in tenders) were similar, and ranked slightly below the average rank across all included sections. Operator Group C was above average and significantly outperformed all other Groups (A, B, D) which were below average.

Adherence to Supply Chain Principle 7 (Alternative bids) was significantly below the average rank across all included sections, and the principle with the poorest adherence. Tier 1 Group D was the best performer relative to the other groups, marginally outperforming Operator Groups B and C, while Operator Group A was noticeably the Group with the lowest adherence.

For Supply Chain Principle 8 (Low ball bidding), there were more companies which have experienced low-ball bidding than not – and this was much more evident when considering operators only (Groups A, B and C) compared to Tier 1s, Tier 2s and SMEs.

Supply Chain Principle 9 (Labour agreements) showed that there were only small differences when considering operators only (Groups A, B and C) compared to Tier 1s, Tier 2s and SMEs combined.

Adherence to Supply Chain Principle 10 (Dispute escalation) was above average, and the second highest ranked principle or section overall. Tier 1 Group D was the best performer relative to the other groups, marginally outperforming Operator Groups B and C, while Operator Group A was the Group with the lowest adherence in this section.



APPENDIX 1. SENSITIVITY ANALYSIS

Following further discussion, it was felt that the initial scoring of answers may not reflect the vision for positive collaboration underpinned by the supply chain principles. For example, from one perspective, “sometimes” may be perceived as a positive compared to “never”, however, for many of the supply chain principles the vision would be for “always” to be the gold standard, and “sometimes” or “somewhat” to be an unwanted shortfall from that. Therefore, two different sensitivity cases were analysed to better understand the impact of the relative scoring on the overall performance scores.

Appendix 1.1: Sensitivity Case 1 – Reduced middle weights

For sensitivity case 1, a “sometimes” or “somewhat” answer which previously scored 75, was reduced to 50. Similarly a “rarely” answer, previously scored as 50, was reduced to 30. Scores for “Don’t know” were not adjusted, nor those representing the ideal response (i.e. those answers which scored 100).

The sensitivity case resulted in an overall decrease in the scores across all companies, and only a few changes in the order of the ranking. There were however changes in the ranking of the companies within each contributing section. The results from this sensitivity study are shown below in Figure 66.

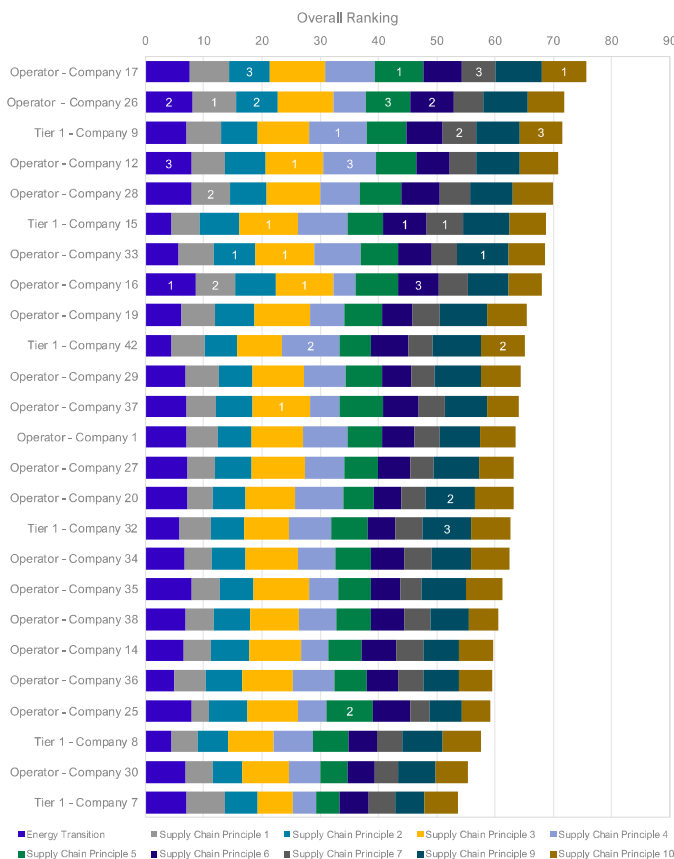


Figure 66: Overall ranking results from middle weighting sensitivity study



Appendix 1.2: Sensitivity Case 2 – “Don’t Knows”

It was also felt that the initial scoring of “Don’t knows” higher than “No” or “Never”, may not be a correct reflection of the implication of not knowing. For example, when asked *Does your organisation have a plan in place for the Energy Transition*, it was felt that the answers of “No” and “Don’t know” should be treated equivalent. Therefore, a further sensitivity against the base case was checked, where “Don’t know” was scored the same as “No” or “Never” – i.e. typically zero.

The sensitivity case resulted in a wider spread of scores between the top performing companies and those lower in the rankings, with the top performing companies scores’ not changing significantly compared to those lower down, as shown in Figure 67. This implies that the top performing companies had fewer “Don’t know” responses to their surveys in general as their overall scores did not change significantly, and the converse is likely for those that saw greater decreases to the overall score. Aside from Company 9 which dropped from 3rd to 5th position, the overall ranking did not change significantly.

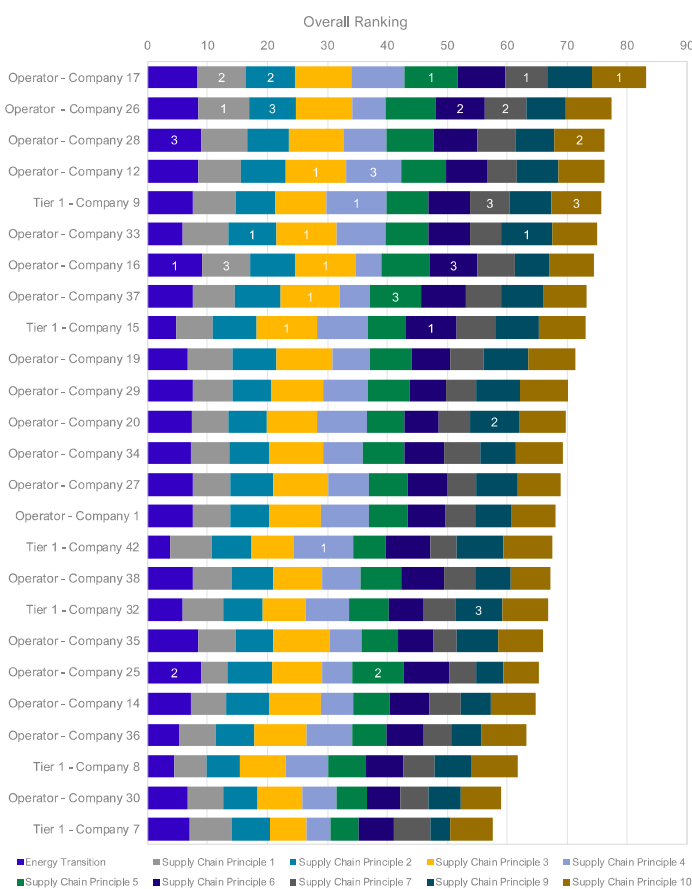


Figure 67: Overall ranking from “Don’t know” sensitivity study