

## Governing Energy

### On Technology

Volume 4 Number 9—May 4, 2015

The 2015 Offshore Technology Conference (OTC) is being held amidst another sharp collapse in the crude oil price. As discussed in this blog and by others, reduction in force (RIF) or layoffs are underway and may continue. Moreover, industry restructuring continues as the sector seeks the new economic equilibrium.

Mandates to reduce costs abound; however, along with these directives is the superior commandment, “do not compromise safety, compliance or operational performance.” Process transformation, i.e., a more efficient supply chain, cannot be accomplished by force of will alone.

Implementing a Culture of Safety, assuring Compliance and Risk Mitigation as well as maintaining and even enhancing Operational Performance require appropriate enabling technologies. While information technology (IT) has long been a process change enabler, other technologies such as those used by the risk mitigation Bowtie model are required. The model has three basic components:

- Prevention Controls
- Business Upset or Unplanned Incident
- Recovery including Escalation Processes<sup>i</sup>

For example, certain technologies enable products and solutions to prevent a safety related incident such as a fire and others used to mitigate the impact and control the result of a possible incident. In our complex industrial world, technologies of all types are central to Risk Mitigation strategies.

Moreover, technological advancement is accelerating and dramatically changing the way we do business.<sup>ii</sup> The challenge of the Convergence of Exponentials is not just the understanding of the technological rate of advancement, but the effective management of this innovation to add business value.<sup>iii</sup>

The OTC will showcase new technologies and vendors will hawk their wares. The challenge is to harness these capabilities in the current market conditions while meeting the covenants of *not compromising safety, compliance or operational performance*.

**How does your organization take full advantage of new technologies?**

## About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of five books and has written extensively about the field of operations management. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management. He has studied cultural interactions for more than 30 years--his dissertation; *Cross Cultural Negotiations Between Japanese and American Businessmen: A Systems Analysis (Exploratory Study)* is an early peer reviewed manuscript addressing the systemic structure of social relationships.

## End Notes

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<sup>i</sup> [http://www.skybrary.aero/index.php/Bow Tie Risk Management Methodology](http://www.skybrary.aero/index.php/Bow_Tie_Risk_Management_Methodology)

<sup>ii</sup> <http://www.forbes.com/sites/gregsatell/2013/04/02/4-ways-in-which-technology-is-transforming-business/>

<sup>iii</sup> Shemwell, Scott M. (2015, April 23). Titans of the 1940s Today. [Governing Energy](#). PennEnergy.