Operational Excellence, Risk and Compliance for Oil & Gas Companies

An integrated approach to managing enterprise risk through a single platform
Overview

The oil and gas industry now faces mounting regulatory pressures.

New standards, highly publicized spill incidents, public debates on drilling practices and the general sentiment that oil and gas companies contribute greatly to environmental issues around the globe are causing the industry to contend with some of the strictest regulations in the world.

As regulations continue to grow in complexity and reach, the increased enforcement and improved coordination among regulators increases the risk of noncompliance on top of a smorgasbord of enterprise risks inherent to oil and gas companies.

The rising and increasing complexity of regulatory compliance tells us that oil and gas companies need a robust, well-managed regulatory risk and compliance program that is supported by all levels of the organization.
Navigating uncertainty

Regulatory risk and compliance for oil and gas companies

A single oil and gas company can face multiple offshore and onshore regulations and standards – from exploration to distribution.

This could impact multiple sites and various compliance departments and could get highly complex, increasing the risk factor.

The regulatory and reporting landscape today is particularly complex for oil and gas companies. The unpredictable nature of emerging regulations has given birth to growing industry concerns about effectively managing risks in face of changing rules and regulations.

Regulatory pressures touch on every part of the business and with the growing number of laws today, the cost of noncompliance can be significant.

Organizations are faced with the challenge of effectively managing OSHA, BSEE, USCG, DOT, EPA, Conflict Minerals, NI-52109, COBIT, ISO and compliance mandates such as Extractive Industries Transparency Initiative (EITI), Amendments to EU Directives, Dodd-Frank Act Section 1504, SEC Rule 13(q), SOX, FCPA and other compliance programs based on federal and state regulations.

Oil and gas companies operate with disparate infrastructure in isolated locations around the world including offshore oil rigs. This requires a solution that allows companies to link and foster communication across all facilities and assets within the business in real time.

With constantly changing regulations, oil and gas companies are subject to a variety of rules that differ according to the region and type of assets. To comply with this added complexity, companies need solution that enables them to figure out which regulations apply to which facility and assets.

Effective compliance demands that companies need to stay updated on the latest regulations, including those specific to each region in which they operate.

Oil and gas companies due to the risk of noncompliance can face production delays, cost overruns, unintentional loss of data, and even physical security threats to company assets as a result of malicious activity.

The cost of noncompliance and its effect on the business requires companies to rethink their approach to regulatory compliance. Companies now need tools that allow them to respond with agility to market demands while keeping them in compliance and subsequently reducing exposure to noncompliance and risk.
Achieving operational excellence is no longer optional – it is critical.
The central imperative

Achieving operational excellence in a highly regulated environment

Operational excellence allows oil and gas leaders to confidently say and prove that they are running their assets safely, reliably, sustainably and cost effectively.

Higher efficiency is a goal for companies operating in the oil and gas industry. As facilities grow more complex, so does regulatory demands and the pressure to capture return on investments increases and the need to achieve excellence grows.

Operational excellence is evidenced by results. An operational excellent organization has significantly lower operational risk, lower operating costs and increased margins relative to its competitors, which creates value for customers and stakeholders.

Achieving operational excellence is more important now that than it has ever been before due to a highly complex, changing business environment. With increasing complexity in all areas of the business, including compliance, operational excellence is becoming more of a challenge.

The first step to operational excellence is defining it in a clear and concise manner that provides measurable objectives – you cannot manage what is not measured.

Second is recognizing that excellence is relative and shifts over time – technology and business paradigms all evolve. Companies do not stand to benefit from antiquated and traditional methods that no longer serve their needs effectively.

Third is the understanding that true operation excellence manifests itself through integrated performance across risk, revenue and cost. Seeing the interconnectedness of these often siloed functions will set the company on track to operational excellence.

Simply put, achieving excellence means having a sound risk management strategy that aligns its operational capabilities and executes strategy consistently and reliably.
How we can help

360factors Regulatory Risk and Compliance Management Solutions

We help oil and gas organizations navigate their way through a changing regulatory environment, manage risk and improve performance to increase operational excellence, sustainability and margins. Our regulatory risk and compliance management solutions provide guidance on the following:

**Staying ahead and managing risk.** While risk continues to significantly affect the oil and gas landscape, staying ahead of the competition is becoming a dominant factor. We work with oil and gas companies to understand their business risks and develop strategies to manage and leverage on them.

Our key experts understand business operations and processes, and they use their expertise to help clients define and develop their strategies, and risk management and mitigation techniques.

**Monitoring regulatory changes.** Oil and gas companies report that the top driver for regulatory risks are regulatory pressures from specific sectors. Global multi-sectoral surveys show that regulatory and fiscal frameworks are uncertain in many countries.

Our regulatory risk and compliance management solutions are focused on helping our clients in the oil and gas industry to meet their regulatory requirements in regions where they specifically do business.

**Reducing costs, optimizing business processes.** Drilling service, operating and production costs have increased significantly over the past decade. Increasingly complex operations generally mean a spike in operating costs.

Initiatives for oil and gas companies typically involve improving business processes and embedding controls. We help our clients integrate their initiatives in one platform, allowing them to adopt a systematic and organized approach to their cost reduction and process improvement initiatives.

Our regulatory risk and compliance management solution breaks down silos and reduces costs incurred by multiple installations, minimizing the complexity for functional departments and compliance initiatives.
Learn how Predict360 can transform your compliance management process.
Call 866-385-2341 today.

Schedule a FREE TRIAL and DEMO online at www.360factors.com

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Operational Excellence. Sustainability. Increased Margins.

360factors is a cloud-based Regulatory Risk and Compliance Management Software Company specializing in Oil & Gas, Power & Utilities and Banking & Financial Services industries. 360factors’ platform, Predict360, uses unique mapping and cognitive technology to provide regulatory insight, predict risks and increase sustainability and margins. Predict360 helps break down silos and overlapping costs through multiple tools to improve operational excellence, visibility to risk and quality data that executives can use to make decisions in a timely manner. Additionally, it provides functional compliance managers with an out-of-the-box solution with industry-specific regulations or standards, workflows and policy & procedure templates so they can perform the day-to-day regulatory and operational risk and compliance tasks at a functional level.