



OIL & GAS

# Making the Cognite business case to the C-Suite

How to get senior decision makers to understand the powerful benefits of Cognite Data Fusion (CDF).



# Elevator pitch



Operating costs in the Oil & Gas industry are calculated at roughly [\\$2.3 trillion](#). Cutting even 1% of costs through smart predictive maintenance and longer-lasting equipment would deliver global savings of \$40 billion.

So let's collect, consolidate, manage, model, and contextualize data to drive digital transformation and deliver operational excellence.

This can be delivered in a number of ways – smart maintenance, digital twins, 3D modeling, etc. – but the outcome is improved performance, bigger profits, less downtime, and happier workers and board members.

This guide will enable you to show your senior decision makers what you already know: That Cognite has the tools and know-how to transform your business.

After reading this guide you'll be able to:

- **Succinctly sell in the big picture**
- **Identify core problems to be solved**
- **Make the business case relevant to all key decision makers**
- **Paint the ideal picture of life post-implementation**
- **Overcome common objections**
- **Demonstrate the need to act urgently**





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# Making the pitch

The key to any successful pitch is understanding – and addressing – the concerns of specific key decision makers. You all share a common goal – making your business as profitable as possible – but you all have different responsibilities for making that happen.

More importantly still, people don't care about the how – they want to know about the what. Or more specifically, ***what's it going to mean for me and the objectives of my role?***

**This means you need to understand their concerns and priorities first.**



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# Outline the problems

Challenges exist at every level of your business. Calling them out ensures everyone is aware of the scale of the task at hand.





## TOP-LEVEL

Profits and performance are unpredictable

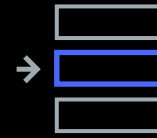
Inefficient processes waste time and effort

Leaks impact reputation and sustainability

Exploration is a high-risk/high-reward gamble

Struggling to replace an aging workforce – and the knowledge they have

Digital transformation fear of missing out (FOMO), including fears that competitors are getting there first and attracting new talent



## MID-LEVEL

Confusion about how to deliver digital transformation and what it means for both management and workers

Collaboration limited by teams working in silos

Data is not available for the rest of the business

The true value of supplier partnerships is yet to be realized

Inability to scale beyond proof of concepts (PoC) to operational scale

Downtime costs \$220k per hour



## ON THE GROUND

Manual tasks are time-consuming and prone to errors

Scheduled maintenance lacks precision and prioritization

Workers' skill sets and abilities are inconsistent

Reactive culture is an obstacle to growth

Pen and paper has yet to be dropped for digital alternatives





# Who is suffering?

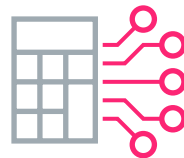
Inefficiencies, bottlenecks, and mistakes all affect output – and your people. It's easy for the C-Suite to become disconnected from those directly involved in production. It's up to you to collect and share their stories.

Make sure that you collect facts and stats, not just opinions and feelings.



## OPS

Your operations team often works in isolation and without full possession of all the facts. Their workflows are heavily reliant on manual processes, increasing inefficiency. Limited digital tools and manual data capture mechanisms create inconsistencies – affecting efficiency, output, and morale.



## FINANCE

The finance team is tasked with balancing budgets and meeting the demands of the C-Suite. They are expected to drive down operational expenditures and increase profits – often without the insights required to make properly informed strategic decisions.



## SHAREHOLDERS AND CEO

Shareholders rely on the performance of your business to improve profits and positively affect the value of their shares. They have two key concerns – profits now, and profits in the future. This means that maintaining the good reputation of your business will be of great importance. And shareholder demands are almost always your CEO's primary concern.



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# Describing the ideal



You're now ready to begin having conversations about your data-driven future with key stakeholders. Before you try to describe the journey, however, it's important to help people understand where they are going.



- **What if we could access data on all operational equipment in real time?**
- **What if we could consolidate and manage data effectively, making it available to those who need it but securing it against those who do not?**
- **What if we could build a smart maintenance program using a digital twin to run proactive – not scheduled or reactive – maintenance?**
- **What if we could contextualize data to make it relevant to multiple functions within the business, turning raw data into knowledge?**
- **What if we could monitor and maintain data quality?**

- **What if we could build a data-first digital culture that would make our organization the go-to workplace for the top talent?**
- **What if we could incentivize suppliers on uptime and performance, not just supply of parts?**
- **What if we could demonstrate true leadership in environmental awareness and sustainability?**

Once we implement Cognite Data Fusion (CDF) we'll be able to see data from every corner of the business. In real time. We'll be able to generate valuable insights that allow us to make well-informed strategic decisions quickly. And our ops teams will finally be able to move toward working proactively, increasing efficiency and reducing downtime.



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# Who do you need to convince?

There are three key players you need to convince of the data-driven future – the CFO, the CEO, and the CIO.

## CFO

To understand the financial benefits on offer and to get sign-off.

## CEO

To recognize the wider benefits to the business and ensure that there is internal support and engagement.

## CIO

To support the software and systems needed as part of the process.





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# Selling the board

## CFO

CFOs will make or break any purchasing decision, so it is critical that you convince them of the importance of investing in data-driven operations. Especially as [38% of CFOs are already responsible for IT](#) too.



Here’s what you need to address:

PRIORITIES	
FINANCIAL STABILITY	How will digital transformation and data-driven operations help your business maintain profits?
FINANCIAL PERFORMANCE AND PROFITS	How will CDF increase profitability?
REDUCING OPEX AND INCREASING YIELD	Operational expenditures eat into profits – so the CFO is always looking for ways to reduce them. Similarly, any new efficiencies that increase yield will always be welcomed.

To convince the CFO, you’ll need to explain how increased data visibility and analytics help inform strategic decision making. By better understanding the effects of past decisions and their effects on current operations, CFOs are empowered to make the changes and adjustments that allow them to improve financial performance – OPEX could be reduced by as much as 8-11%.



CONCERNS	
ROI ON INVESTMENTS	Every investment must generate a measurable return.
EXPLORATION AND DRILLING COSTS	Exploration and drilling are costly – but with smarter planning, those costs can be contained.
COST OF DOWNTIME	Outages cost \$220,000 per hour, so planning operations and maintenance cycles to reduce failures could create significant savings.
COST OF MULTIPLE LICENSES	Software licensing and maintenance across multiple sites is a constant headache, creating duplicated costs.
FINANCIAL RISKS	Every decision carries a financial risk, and smarter decisions help reduce those risks.

Again, the key to winning over your CFO is to highlight the ways in which improved access to data and analytics will help reduce risk, simplifying the difficult decisions.



# CEO

The CEO must steer your business in a way that increases profits, pleases shareholders, and attracts the best and brightest candidates to the world of oil and gas.





Here's what you need to address:

PRIORITIES	
<b>PERFORMANCE</b>	Profitability and reputation are critical to maintaining share price – and the CEO is always willing to hear ways in which that can be achieved.
<b>ENABLING DIGITAL TRANSFORMATION</b>	Your CEO will have heard about digital transformation – but chances are he or she will not know how to go about it.
<b>REMAINING RELEVANT AND COMPETITIVE</b>	Your CEO knows what is happening in the industry and can see what your competitors are doing. How can digital transformation give you a competitive edge?
<b>DRIVING STRATEGIC CHANGE IN CULTURE AND VISION</b>	Digital transformation requires change – but how can the CEO encourages employees to adopt the vision?
<b>HAVING THE BEST WORKFORCE</b>	The O&G workforce is aging, increasing competition for a shrinking pool of candidates.
<b>SUSTAINABILITY AND REPUTATION</b>	Avoiding ecological disasters and defending your corporate reputation in a sometimes hostile environment are important for protecting share prices and profits.
<b>MANAGING HEALTH AND SAFETY RISKS</b>	Health and safety standards are not only a regulatory and legal requirement, they are also vital for keeping the workforce fit and well – and maintaining productivity.



Ultimately a CEO needs help to understand the impact data could have on your business, and how it will help drive much-needed change.

CONCERNS	
MISSING THE DIGITAL TRANSFORMATION REVOLUTION	The companies that reap the greatest benefits will be those who adopt data analytics technologies first. Your CEO is right to be concerned about missing out.
UNSURE OF TECHNOLOGY STRATEGY	Your CEO knows how to define corporate strategy, but what role can (and should) technology play?
LOSING ADVANTAGES TO COMPETITORS	Simply having new IT systems isn't enough – you need to be able to turn your data into actionable insights. That is where the competitive advantages are to be found.
LOSING TALENT TO COMPETITORS	New and exciting projects attract the best talent – including your own. Staying ahead of the competition is a powerful tool for keeping your brightest employees on board.
AGING WORKFORCE	Many firms are struggling to replace their aging workforce – and the knowledge and experience they carry around in their heads.
POOR SUSTAINABILITY REPUTATION	More than ever before, leaks and environmental damage are critical to corporate reputation.

The workers of the future are already here, and they are more data-savvy than their predecessors. Implementing digital transformation programs and strategies will be an important tool for recruitment and retention.

# CIO

The CIO's concerns are often more practical. A CIO knows the value of data – and would probably appreciate an ally who can help strengthen their case for greater IT investment.



Here’s what you need to address:

PRIORITIES	
IDENTIFYING PARTNERS TO DRIVE TECH STRATEGY	The CIO will already be running with limited resources, so every new system needs to be adequately funded. The CIO will want to know which partners can share the load and minimize the burden on the in-house IT team.
ECO-FRIENDLY OPERATIONS	While O&G operations are under the greatest scrutiny, the CIO also needs to reduce IT’s carbon footprint. As a result, hosted options are of particular interest.
DATA SECURITY	The CIO is expected to meet all regulatory and operational obligations regarding data security – and to uphold the company’s reputation in the process.

The CIO wants to be sure that you’re not adding yet another task to what is already an extensive list of responsibilities.

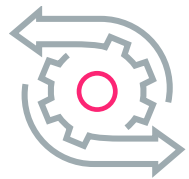


CONCERNS	
<b>LACK OF INVESTMENT</b>	When IT is treated as a supporting function, investment is often limited. If the business is to be digitally transformed, the CIO is going to need more funding.
<b>LACK OF INTEGRATION</b>	Fragmented, siloed systems add to operating costs and management overhead. The CIO does not want another standalone platform to manage.
<b>OPS MANAGEMENT AND MAINTENANCE</b>	"Keeping the lights on" consumes around <a href="#">80% of the IT budget</a> . The CIO doesn't want to add to this dead spend because it limits the capability to complete strategic projects.
<b>ANOTHER VENDOR TO DEAL WITH</b>	Another platform means another vendor and another layer of complexity that reduces IT management efficiency.
<b>SENIOR COLLEAGUES DON'T UNDERSTAND THE OPPORTUNITIES</b>	Other C-Suite members are focused on oil and gas – they fail to recognize the value hidden in your existing data.
<b>SENIOR DECISION MAKERS DON'T UNDERSTAND GEEK SPEAK</b>	The intricacies of IT infrastructure and operating environments are lost on other executives – and most have no interest at all. The CIO needs help translating "geek" to cash to help underscore his or her arguments.
<b>UNABLE TO COMMUNICATE THE BUSINESS-WIDE BENEFITS</b>	Digital transformation is intended to help improve every aspect of business operations. The CIO needs help to explain that this isn't just a technical issue.

More than anything, CIOs need to believe they have an ally – someone who understands how technology can drive the business to greater profitability. And who can sell their ideas to the other C-Suite members.

# Overcoming common objections

There are three common objections you will encounter as you present your business case:



## CAN'T WE STICK WITH WHAT WE HAVE?

No. Technology is offering new opportunities, and our competitors are already grasping them. We risk being left behind.

If we've haven't made efficiency gains with our existing IT systems, we never will.



## WE CAN'T AFFORD IT

Digital transformation does involve additional investment – but we can't afford not to do this. We will create new, measurable financial savings. And new efficiencies and cost savings, too.

CDF will typically deliver ROI after three to six months.



## WE DON'T HAVE THE RESOURCES

Good news: We don't need more resources. Because CDF is available as a service, it won't add to the time or resources needed to operate and maintain software. And it's IT architecture agnostic, so there are no additional integration requirements.

**We benefit from increased capabilities and digital maturity from the outset.**

# The proof: financial



Granular, real-time access to information from across the entire business allows you to respond quickly to market forces, changing priorities or completing a strategic pivot. And with the benefit of 20-20 hindsight and automated analytics, you will be able to better plan proactive routines like maintenance

## What does this look like?

For every hour of additional uptime, you save \$220,000.  
How many hours of downtime do you experience each year?

With the ability to plan maintenance cycles more effectively, you can avoid many of the unknowns that reduce efficiency and effectiveness. Maintenance teams can work quicker and smarter – increasing the efficiency of critical infrastructure. And you can change your business models with partners and suppliers, incentivizing them to proactively find solutions to improve tool life and increase uptime.

As your plants operate more efficiently, yield – and profitability – will increase.

How much would a modest

# 1% gain in yield

be worth to your business over the course of a year?

Again, your business cannot afford not to invest in the technology that will make data-driven operations a reality.



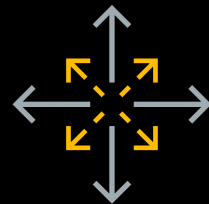
# The proof: non-financial

Every improvement affects profits, but some are easier to measure than others. Among the secondary benefits are:



## SPEED

You can operate faster, make decisions quicker, and reduce time to value. You are also better positioned to adjust to changes in the market or demand.



## SCALABILITY

Armed with in-depth insights, you will be able to take PoC models to full operational deployment faster, and with fewer costly errors or delays.



## REPUTATION

As a digital leader your business is more attractive to clients and skilled workers, helping address issues of profitability and talent retention.



## SUSTAINABILITY

Digital tools help you operate with greater accuracy and precision, greatly reducing any impact your operations have on the environment.

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# Why Cognite?

CDF not only unites data across your business, but it helps you make sense of it, too, empowering you to make decisions that benefit your business, customers, and shareholders.

Importantly, CDF integrates seamlessly with your existing equipment and infrastructure to liberate the industrial data you already produce. This makes new insights available immediately – and dramatically reduces the time to deployment and ROI.

CDF has been designed for everyone. Visualizations make it simple for anyone – from field workers to IT managers – to understand insights and put data to use.



# Why Cognite now?

Digital transformation can't wait – your competitors certainly aren't. Deploying CDF now will deliver instant benefits:

- **You can establish your own competitive advantage almost immediately.**
- **The sooner you deploy, the sooner you realize an impact on your bottom line.**

The question becomes – do we want to waste money by delaying, or invest to generate an ongoing return?







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# What happens next?

Demonstrate a clear, defined roadmap for stress-free delivery.

As part of a six-week implementation plan, we'll achieve three key goals:

- 1. Select, define, and solve use cases.**
- 2. Liberate and contextualize data from different source systems.**
- 3. Train users.**



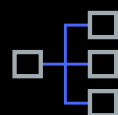


## PRE-PHASE

- Use case discovery workshop to identify business challenges, unlocking value
- Identification of potential cases for impact week
- Scope of data and system high-level system architecture agreed

### USE CASE AND DATA DISCOVERY

### PREPARATION



## WEEK 1-3

- Approval of CDF and data sharing agreement
- Preparation of IT infrastructure, integration requirements, and source system connection
- Establishment of customer and Cognite team
- Align on and prepare for kick-off



## WEEK 4

- One to two day(s) kick-off with core team from customer and Cognite
- Presentation of use cases and selection/prioritization workshop
- Use case dealing workshop

### 1-2 DAY KICK-OFF



## WEEK 6

- Wrap-up to identify requirements and gaps for operationalizing MVPs
- Support planning of future phases
- Hand-over of developed solutions
- Finalizing documentation

### USE CASE DELIVERY WEEK

### REVIEW



## WEEK 5

- Ingestion and contextulation of data
- One week co-location to create as much value as possible delivering 2.5 MVPs
- Product training
- Final demo for key project stakeholders





Discover how Cognite Data Fusion is empowering Aker BP to take a hybrid machine learning approach to optimizing production.

READ THE CASE STUDY