

Dreams of integration

Sometimes answering naïve questions from those outside the E&P world provides interesting insight into the issues we face. I was at a DAMA event in London when someone (from one of the banking services) asked me “surely it would be better for the oil companies to buy an integrated suite of tools, rather than for each discipline to pick their own tools in isolation”. This viewpoint seems quite reasonable, but those of us who’ve been in the industry for some time are aware that the approach has been tried many times, and so far has always failed.

To take just one example, the “Tigress” initiative was an attempt started in the early 1990s to build a complete integrated suite of applications covering a wide range of geological and geophysical activities.

It garnered a lot of funding from oil companies, the European Union and the UK government and created some quite reasonable tools. At one time it could reasonably claim that it had the industry’s second best geophysics application, the second best petrophysical software, the second best well correlation tool and so on. Its main competition in each of these cases was developed by different highly specialist vendors none of whom showed any signs of expanding their offering, let alone building an integrated suite. But, and this is the key, no oil company expert user ever wanted to have the “second best” of anything. As a result Tigress did poorly in the marketplace and never became the world leading software that it was intended to become. Eventually lack of sales led to the current position where the Tigress software, while it is still available, is very rarely encountered “in the wild”, that is actually being used in oil companies. The lesson I take from this is that, while there is a lot of talk about the concept of integration, oil companies are not prepared to actually pay the price, for example in terms of compromised functionality, that any real implementation would require.

Of course if sufficient resources were available to build more widespread integration into the existing “best in class” tools then it would be possible to deliver some significant business benefits. However, that investment can’t come from the vendors, they all have to struggle even to get enough revenue to cover their existing costs. That is exactly why in the last twenty years every one of those original specialist vendors have been absorbed by larger organisations. It also doesn’t look like it will come from the oil companies, even when the oil price is high they all seem to want to wait for their peers to fund it. In the current low price regime there is no hope that any major integration initiative would get funding.

More widespread data integration would be of great benefit to every oil company, everyone in the industry is aware of that. Coming up with a way to fund that effort, that is what is hard, without that there is little hope of such a thing being more than a distant dream.

