



DFM konferencen 2009

Billund

**Fra driftsfunksjon til business partner –
utvikling av en FM organisation i StatoilHydro**

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Agenda

- **This is StatoilHydro and Facility management in StatoilHydro**
- **Establishing a new FM platform with focus on common terminology, processes, organisation development and IT solutions**
- **Challenges with changing a matured FM organisation facing increased customer expectations, need for standardised services and international growth.**



StatoilHydro HQ in Stavanger, Norway

Introduction

- **StatoilHydro ASA**
- **Facility management in StatoilHydro**



StatoilHydro office in Trondheim, Norway



This is StatoilHydro

- An international integrated energy company based in Norway
- The world's largest deepwater operator and the world's third largest net seller of crude oil
- Equity production of 1.95 million barrels of oil equivalent per day and more than 6 billion boe in proven reserves
- About 29,500 employees in 40 countries

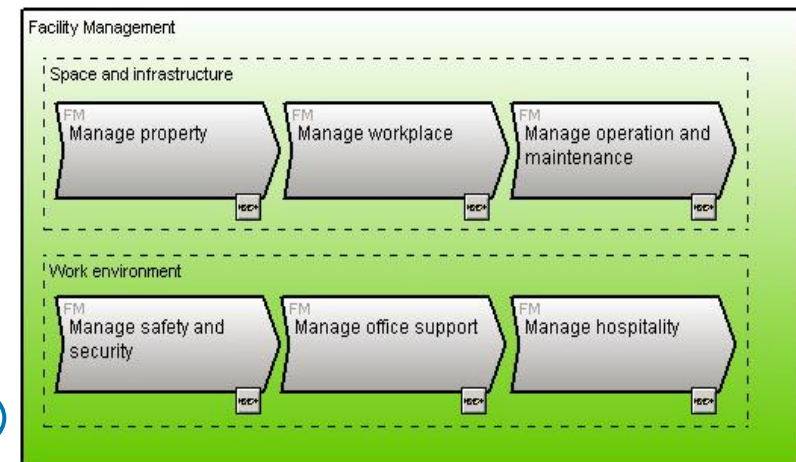
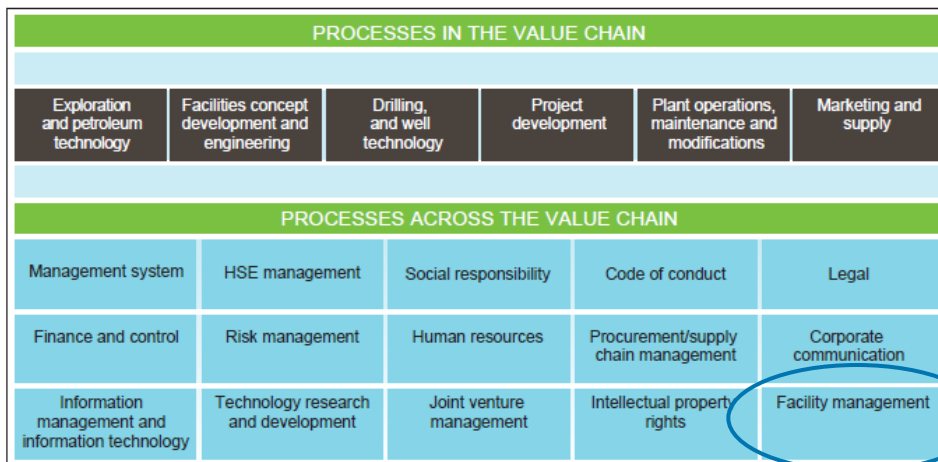


A company with ambitions for global growth

- Maximising long-term value creation from the Norwegian continental shelf
- Building profitable international growth
- Developing profitable midstream and downstream positions
- Creating a platform for new energy

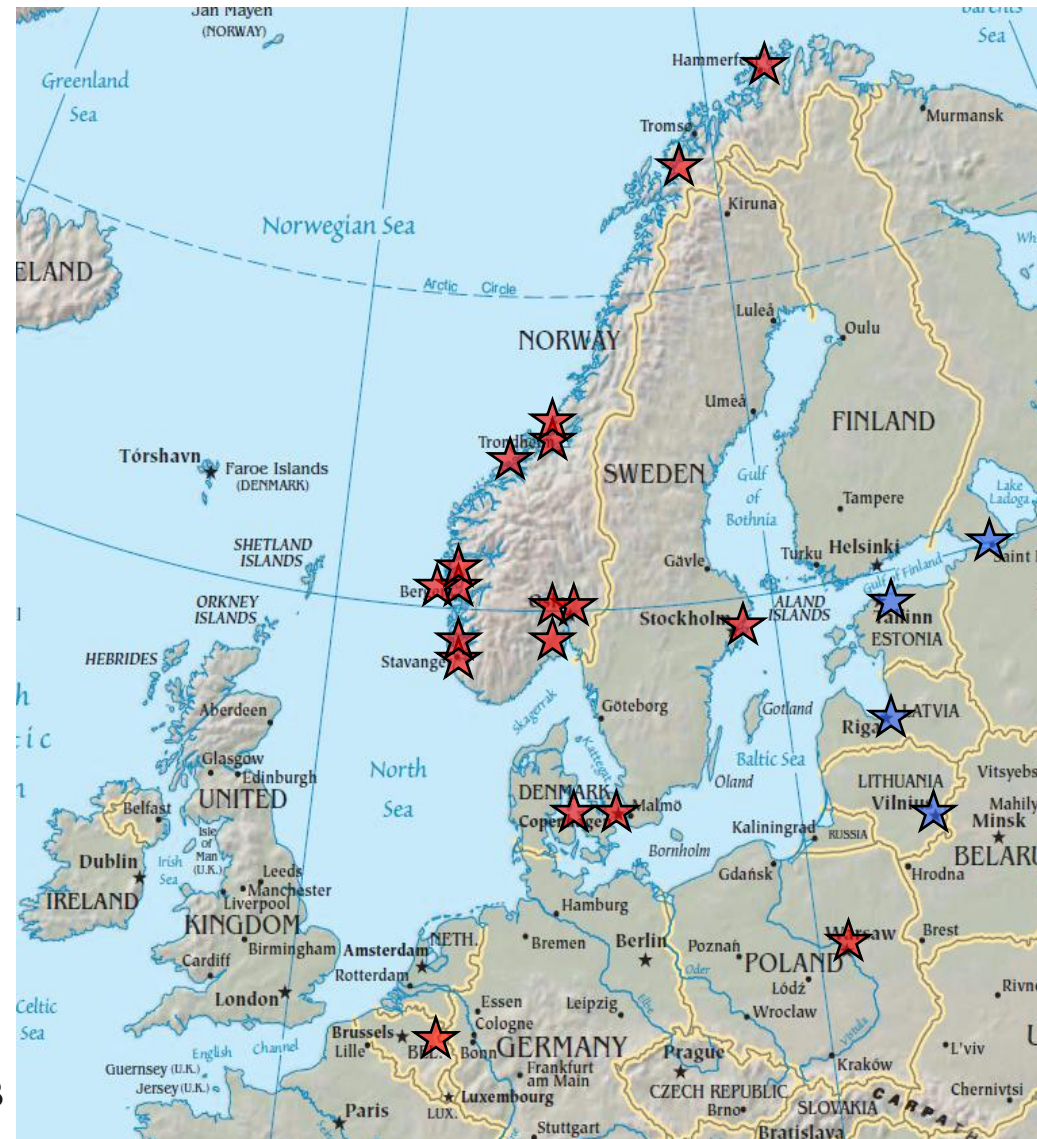
What is “*Facility Management*” in StatoilHydro?

- The main purpose of the facility management function is to manage the company’s property and workplaces, including service components necessary to run an efficient office.
- The facility management process is a support process across the value chain. Support processes are processes which are necessary for the company to execute the processes in the value chain.



FM in StatoilHydro

- Facility management services is part of a large shared service centre called “Global business services”
- FM operations at 18 different locations from Hammerfest to Mechelen
 - Responsible for all FM operations worldwide within 2-3 years
- Operation of 600 000 m²
 - 19 000 office workplaces
- Turnover NOK 2000 mill. / USD 280 mill.
- Approx. 240 own employees and over 1000 supplier FTE’s
 - Key suppliers: ISS, Compass group, Securitas, Coor service management, CB Richard Ellis



We must align FM with corporate strategies!



StatoilHydro strategies

- Maximising long-term value creation from the Norwegian continental shelf
- Building profitable international growth
- Developing profitable midstream and downstream positions
- Creating a platform for new energy



Facility management

- Deliver cost efficient and high quality services
 - Establish a sustainable sourcing strategy
- Deliver standardised and global solutions – adapted to business needs
- Become a true global partner within FM
 - Competent and flexible organisation
- Sustainable FM – “green” buildings and services



Establishing the platform!



**Establishing a new FM platform with
focus on common terminology, processes,
organisation development and IT solutions**

Our challenge and starting point!



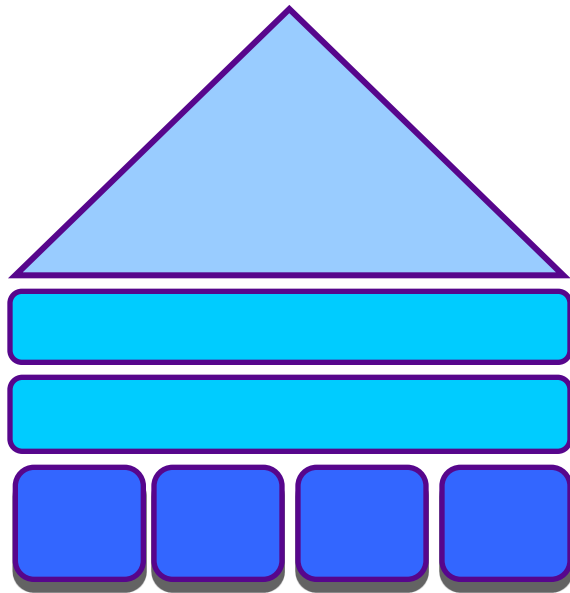
FM - challenges in 2006/2007

- Unclear terminology
- Unclear roles
- Work processes are not documented
- Lack of a clear sourcing strategy
- FM not prepared for the rapid globalisation of StatoilHydro
- Escalating demands for responsiveness and performance
- Difficult to create a sense of urgency in a mature FM organisation
- Two FM cultures and organisations after the merger

Building blocks for FM Services

Based on the challenges in our FM organisation we have:

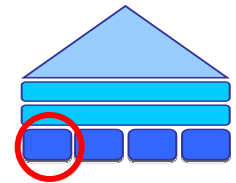
- Developed a clear terminology
- Developed FM processes
- Created a clear split between operational tasks and governance
- Established a clear role model
- Developed necessary systems and IT applications



Based on these building blocks we could develop a new FM organisation

Common terminology

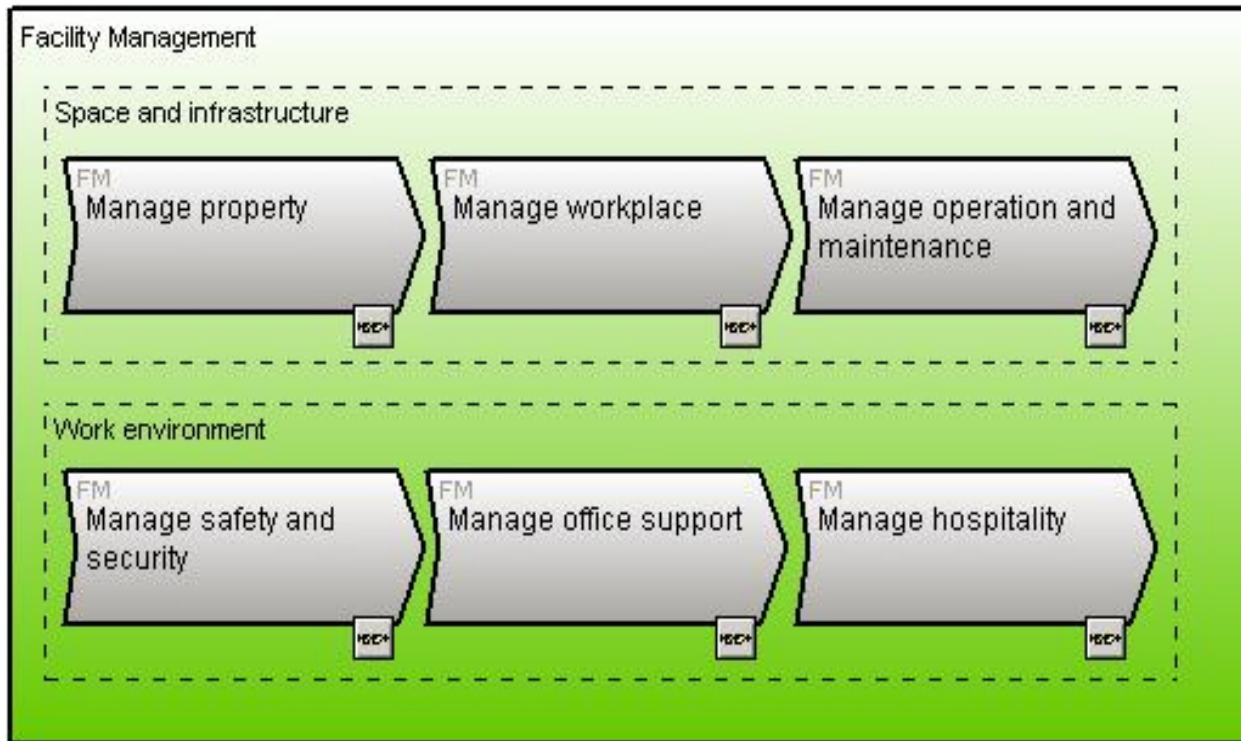
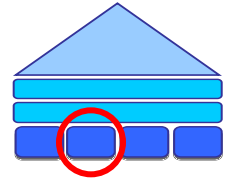
- We have defined and implemented a corporate FM terminology based on European standard
- We have divided the FM scope in 2 main areas:
 - Space and infrastructure
 - Work environment
- Each sub area represents a FM process
 - See next slide
- Our organisation is defined based on this terminology



Space & infrastructure	Property management
	Workplace management
	Operations & maintenance
Work Environment	Safety & security
	Office support
	Hospitality

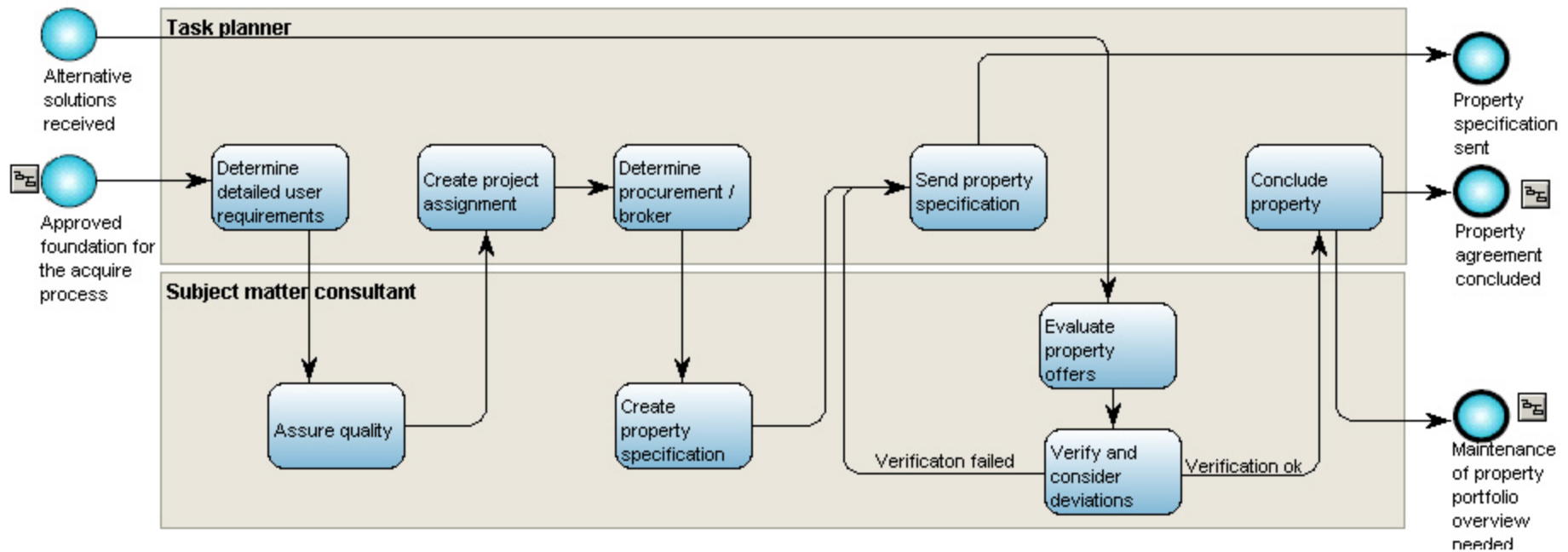
FM Work Processes

- We have described and documented all our work processes
 - Business process modelling (BPM) of FM



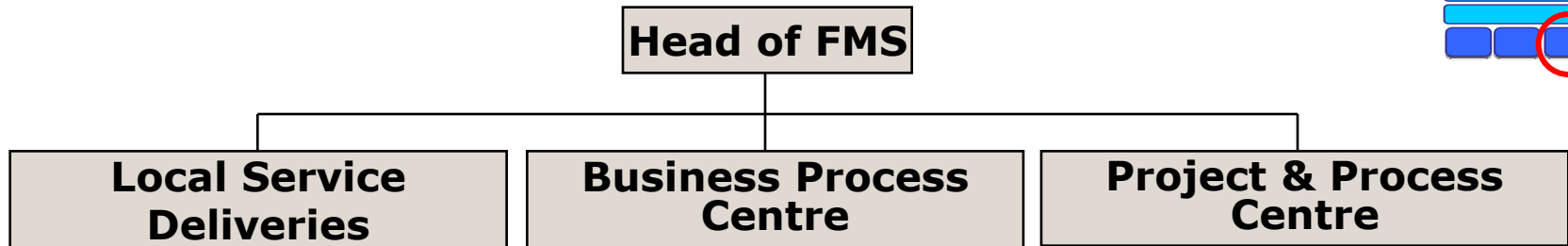
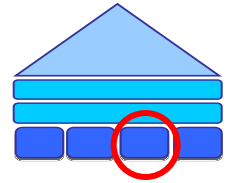
Just an example.....

Acquire property



FM structural principles

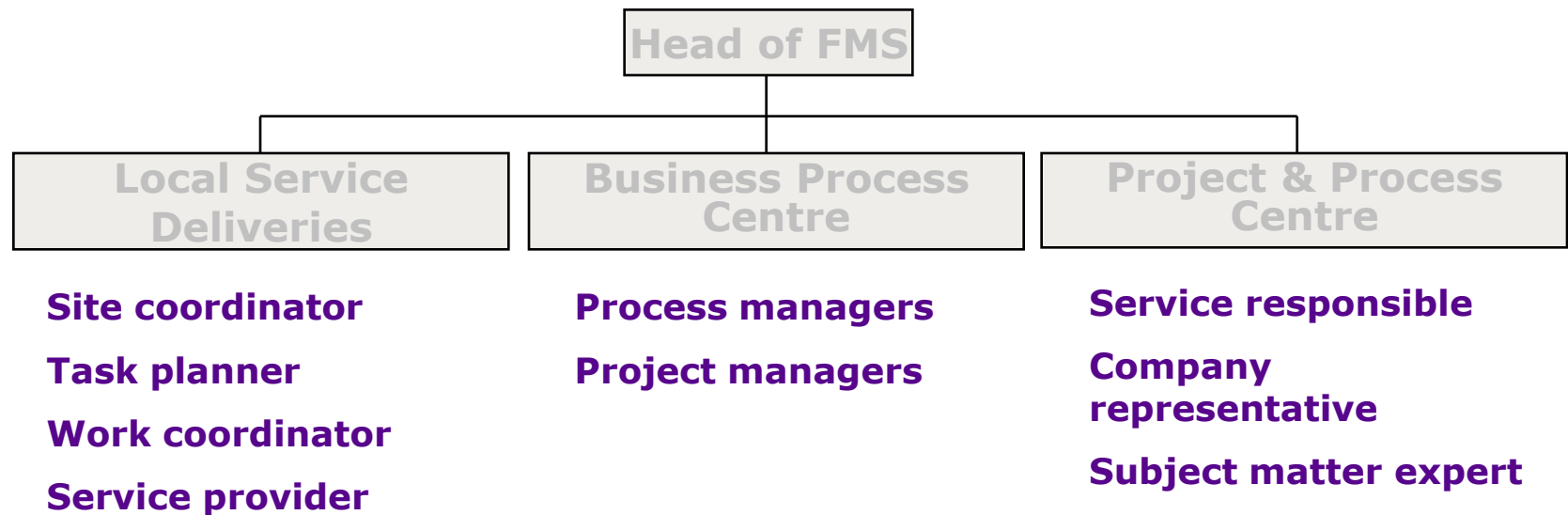
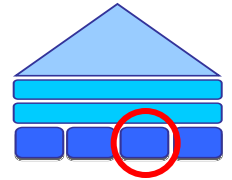
Organisation



FM structural principles

Roles

- We have established a new set of roles for the FM organisation based on the following principles:
 - Separate operational roles from governing roles
 - Keep the number of unique roles to a minimum and develop competence needs to each role
 - The new FM processes will give a set of “tasks” that must be mapped into roles
- A selection of roles in the FM organisation

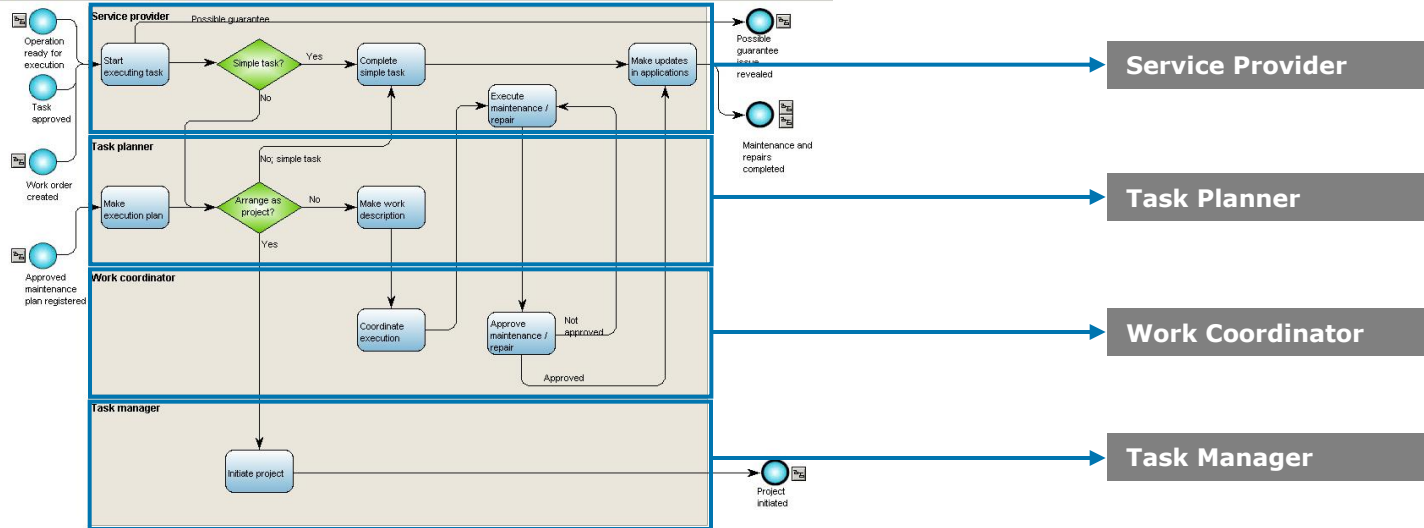


What is a role?

Example

Perform maintenance, repairs and upgrades

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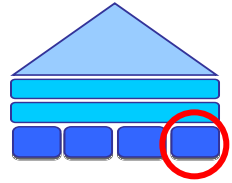


A **process** is a structured sequence of inputs, activities, and conditions that lead to one or more outputs.

A **role** is defined by **responsibility** for a set of inputs, activities, conditions, and output in a process.

Roles enable better cooperation in execution of processes since they clarify interfaces and define separate sets of responsibilities.

Systems and IT-applications



We need to establish a set of systems and IT applications that supports our work processes

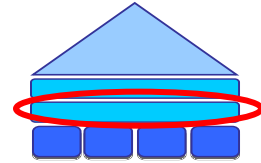
- We identify core system solution needs, and implement only the necessary tools
- We map IT-applications to processes, to make sure that the application is necessary
- We try to minimize the overall number of applications used, someone needs to keep track and upgrade when needed



Establish a FM IT portfolio

My Workplace

- is the main service FMS offer its customers



Description

My Workplace is the main service FMS offer its customers. The main areas are:

Office area



Catering



Office supply and mail



Meeting room



Security and Access



Office move



Validity, implementation and deviation

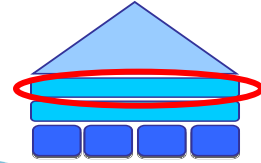
The new standard for My Workplace will be valid from 2008 for all FMS operated locations.

The implementation should be done gradually through establishment/rebuilding of offices and major change of contracts, not as a retroactive standard*.

Quality

My Workplace will be measured according to financial, operational and quality targets (KPIs).

From Running Operations to Strategic focus



Focus 2005
Operations



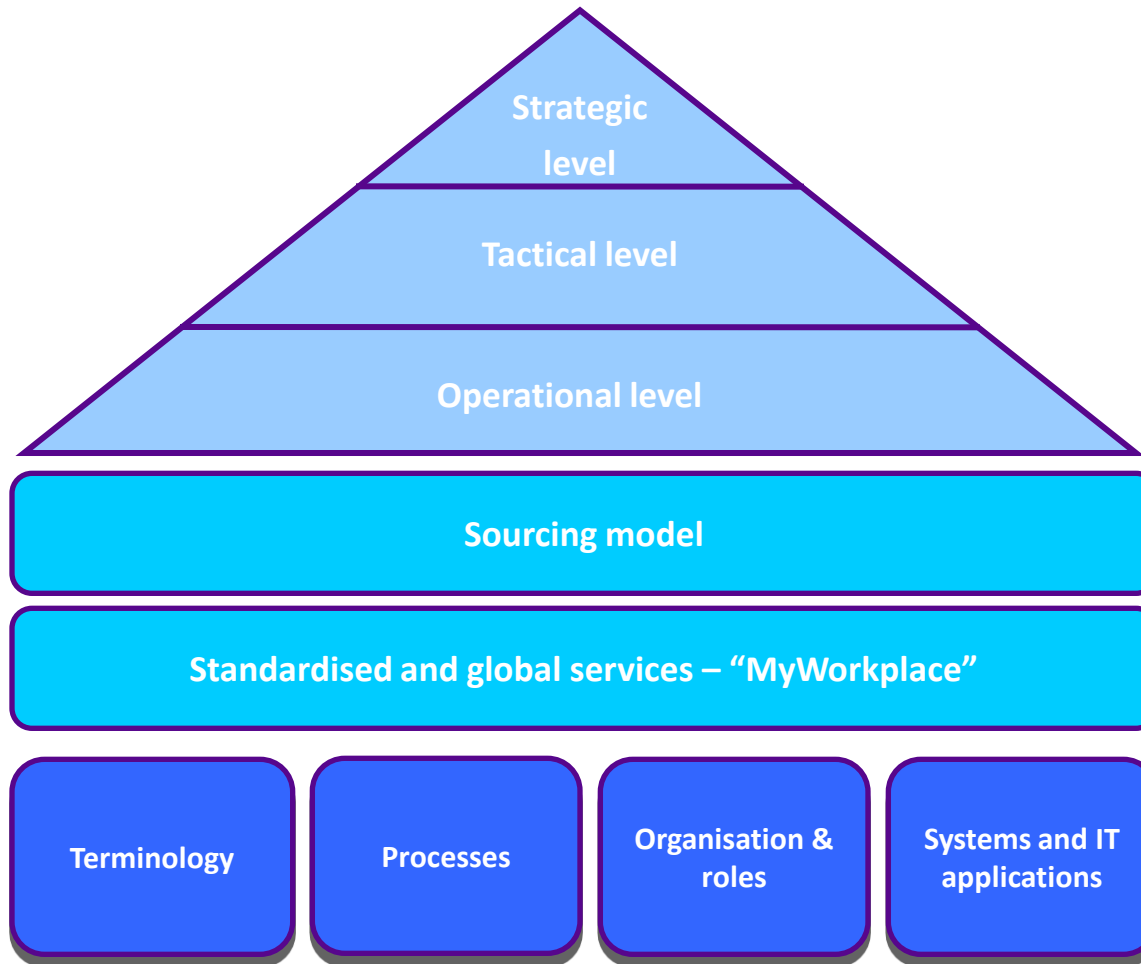
Focus 2009 - 2011
Strategic and customer



Key elements in our sourcing strategy:

- FMS should focus on strategic and tactical level:
 - Need to keep a critical mass of FM personnel in own org. to cover strategic and tactical level.
 - All operational tasks should be evaluated for outsourcing
- Integrated FM is the preferred outsourcing solution.
- As a minimum FMS should bundle deliveries and suppliers as much as possible
- Stepwise implementation of outsourcing strategy and iFM
- FMS should consider different models on different locations (small vs. big locations, plants vs. offices, central vs. remote)

The “FM house”



Success factors:

- **Develop a clear terminology and stick to it...**
- **Develop processes for your FM business aligned with the overall business strategy**
- **Create a clear split between operational tasks and governance in your organisation, and establish a clear role model to support your processes and organisation...**
- **Develop necessary IT applications that are easy to use and support your processes; think functionality...**



Challenges as we walk..

Challenges with changing a matured FM organisation facing increased customer expectations, need for standardised services and international growth

Customer expectations

- We have established the platform, but the customers expectations are increasing. They want:
 - Quick response, high quality solutions, global deliveries etc.
- A customer is not a customer....



Billions in income...

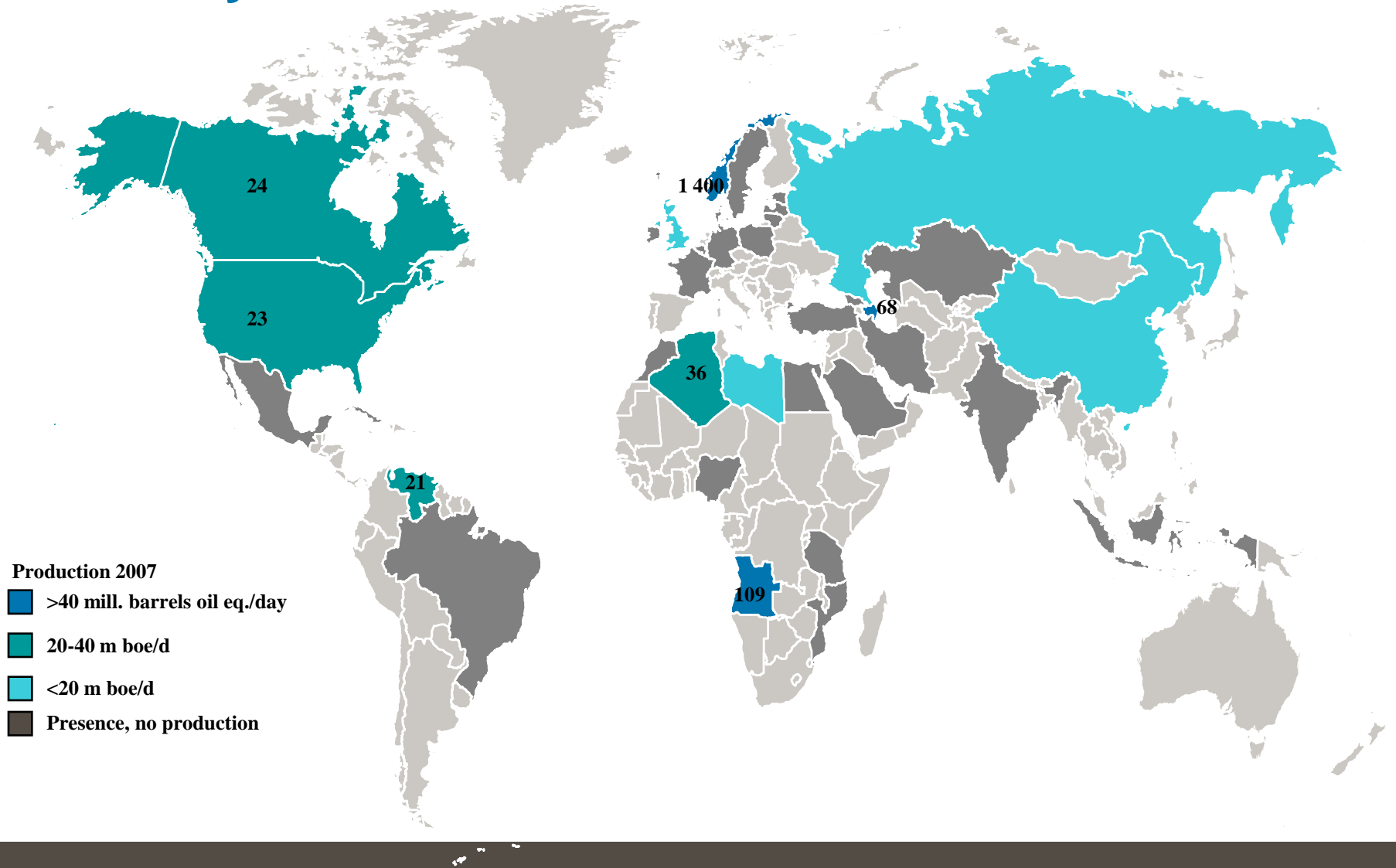
versus



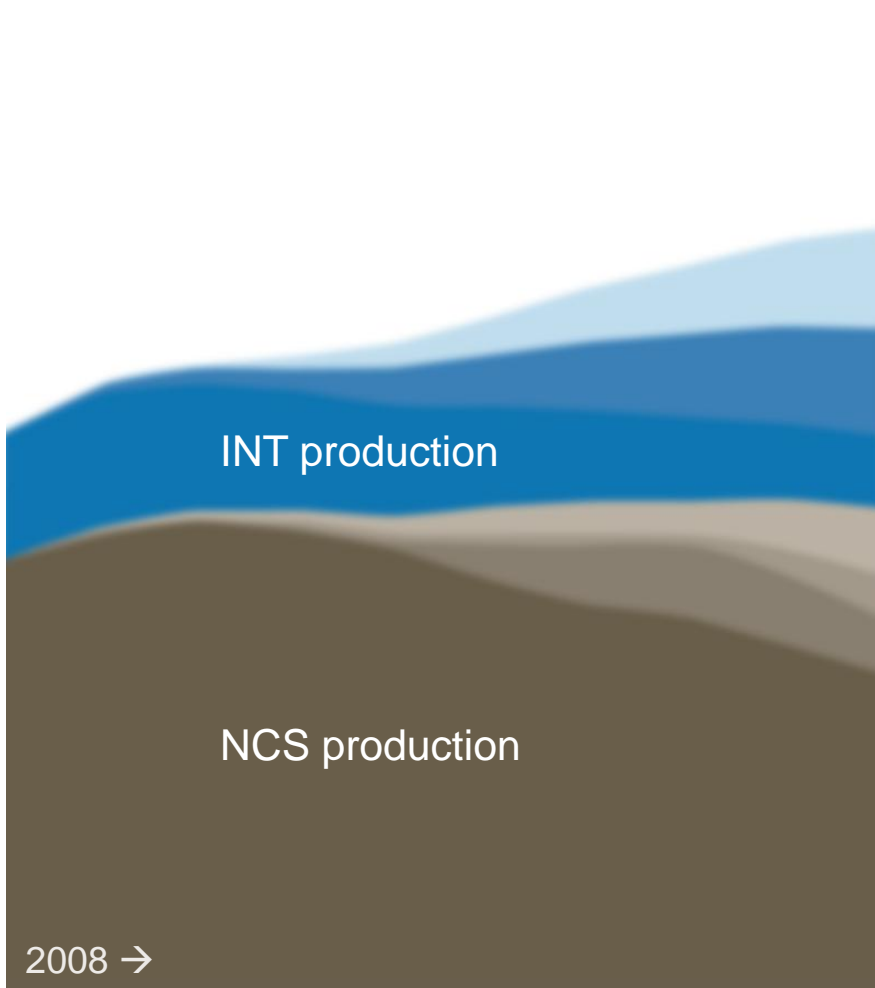
Low margins...

- Our response:
 - Develop services together with our customers – frequent meetings
 - Offer differentiated services
 - Focus on value creation for the customer
 - Deliver according to SLA

StatoilHydro in the world



StatoilHydro - from a Norwegian to a global portfolio



Kizomba A - Angola



GoM - USA



In Salah - Algeria



Oil sands - Canada



Peregrino- Brazil



Shtokman - Russia



The globalisation challenge

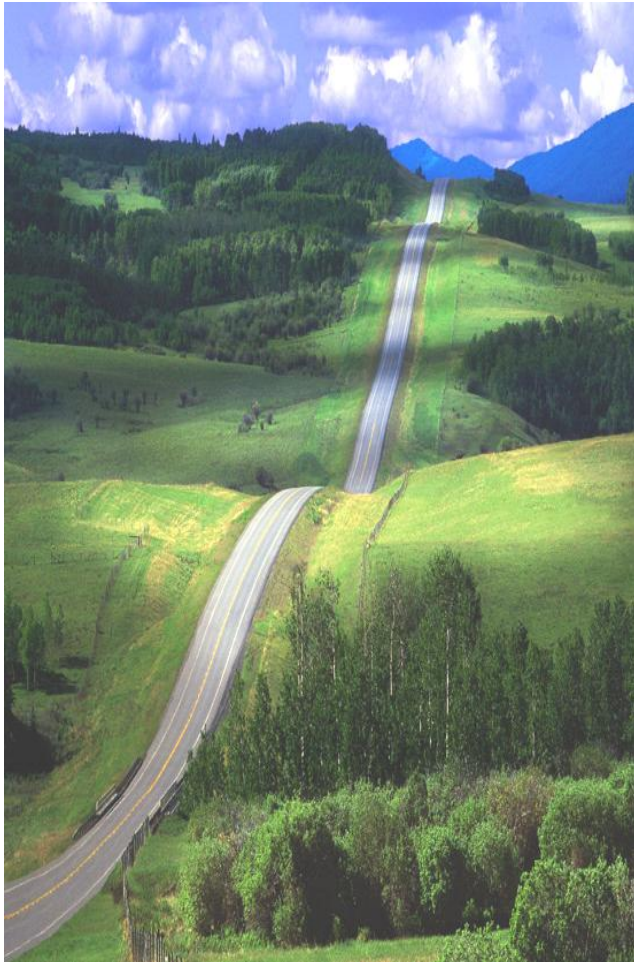


- Capacity and competence
- Norwegian-centric mindset
- Cultural understanding
- Our response:
 - Increase competence in own organisation
 - Frame agreement with global supplier of broker and project services
 - CB Richard Ellis

Our ambition

- World class provider and buyer of FM services 2011

We have started on the road to world class, and main activities in 2008-2010 are:



Establish the FM platform

Establish and implement: ¹⁾ Terminology, ²⁾ Processes and governing principles, ³⁾ Organization and roles, ⁴⁾ IT applications

Define world class FM

Establish a common world class understanding based on input from customer expectations, peers, global strategic advisors, however adapted to a StatoilHydro context

Clarify sourcing strategy

Improve contract portfolio. Award new single service contracts where necessary. Move towards iFM contracts (one supplier delivers “all” services) on suitable locations. Establish a common understanding of the future FM sourcing strategy

Competence development

Assess competence needs and gap, and establish a FM competence catalogue. Important competence areas: Project deliveries, procurement, service culture, HSE, and FM disciplines.

Globalization of FM

Adjust organization structure, contract portfolio, processes etc. for global FM deliveries. Improve language and culture skills in the organization. Establish a corporate and global standard on FM services.

Improve HSE results

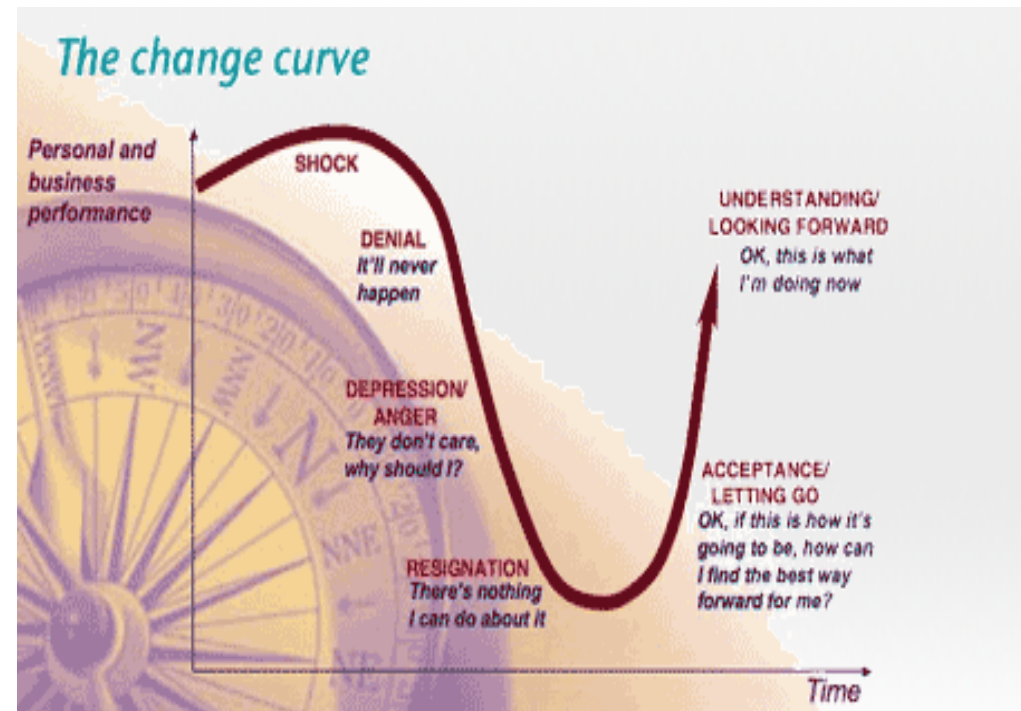
Work systematic with improving the HSE results in the FM area: Reduce number of incidents and near-misses, improve security of buildings / access control and develop new “green” offices and buildings.

Improve customer interaction

Implement GBS customer interaction model. Build a FM customer network. Use customer feedback as input to develop new FM services. Active use of customers surveys to improve.

Employee process

- We have started on a change process
 - Change takes time!
- A lot of the theoretical foundation is in place, but...
 - Now we must include the whole organisation!
- Do not ignore the “change curve” and involve the employees and the unions



Source: The change curve website / www.thechangecurve.com

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