Right Training Makes Big Difference In Operations

Over the last few months, I have noticed a massive expansion in conference and training opportunities for the oil and gas industry. I receive at least 10-15 unique opportunities daily to participate in a conference, seminar, short course, poster session, technical session, congress, or lunch and learn, to name a few. Out of those 10-15 opportunities, I typically find a handful that are of interest to me, some that don’t apply to what I do, and some that I am just not sure about. Assuming I decided to participate in each offering I am interested in, I probably could attend a different event once a week for the entire year.

This is great news for the oil and gas industry. We live in a time when we have so much access to quality training in formats that suit the needs of about any organization that we actually have to make some tough choices about what we attend and what we skip.

That said, this creates a difficult situation for decision makers who have to decide who gets to go to what, why, and what the value is of those opportunities. This becomes especially important to independent operators with busy schedules and tight budgets who, in addition to course fees and travel, must evaluate the cost of that engineer, geologist, manager or other employee being off site for one to five days. Additionally, and perhaps most importantly, the operator deciding to send employees to training must evaluate the return on investment the training will provide the company.

The folks in charge of making these decisions typically have different approaches to this challenge. Some will identify with a group or organization and stick with it; others will try multiple organizations and speakers; and still others will do one large conference a year and pack it all in.

There is no “right” or “wrong” way to make these training decisions, but typically, the answer lies in a combination of the three. In the SPE paper, Tying Training to Business Needs (SPE 37816), H.A. Wadoud and Fouad Khalaf provide a case study of a company that took specific actions to create value from training. The authors explain that one of the primary flaws of the company’s original philosophy regarding training was that professional development decisions were not necessarily tied to business objectives, and that—especially in cases that required travel—often were used as incentives or rewards for employees. The resulting benefits of the training often were inconsistent in showing value for the employee or the company.

To address this, the company took several steps to streamline its training philosophy. Among them, the company put one person in charge of evaluating and managing the training that employees received. This person was charged with tying the training opportunities to business needs, then evaluating the economic benefit of the training to the business. To do this, the company began tracking progress with a database and improved internal communications to create awareness among employees and generate additional value from training opportunities. Finally, it performed a comprehensive follow-up to evaluate and improve the process as it moved forward.

This may seem a daunting task, especially to a small operator with limited time and staff, but consider the API paper, How Conoco Makes Training Pay Dividends (83-I001), by F.E. Ellis. Ellis states, “It is important to expose employees to self improvement early in their careers—this is best done with a planned and relevant personnel development policy, of which training is an integral part.”

Ellis shows examples where using skills acquired during short courses completely changed the economics of fields operated by Conoco. In one example, he discusses how a group of employees used their new skills to make more than 100 modifications to the wells in their area over two years. In addition to reducing fuel and maintenance costs, individual well production went from two barrels of oil a day at the low end to more than 100 bbl/d on the high end. That is 50 times the amount being produced earlier. At $90 a barrel, that is an additional $3.2 million for one well after a two-day training!

Across the oil and gas industry, many companies have realized the value of training and access to best practices. However, for many, busy schedules, tight economics, and the sheer number of training opportunities sometimes can outweigh the time and effort it takes to integrate professional development into their organizations’ culture.

But when you really begin to evaluate the economic potential of developing a staff that can increase production and reduce maintenance in a safe and economical manner, the numbers are hard to argue with and the right training becomes a valuable tool for one’s operation.

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