

INFORMATION PACK
DECC / INTSOK
UK / NORWAY CROSS-BORDER
BUSINESS TO BUSINESS MENTORING PROGRAMME
MARCH 2012

Introduction

Following the success of previous UK/Norway mentoring programmes DECC and INTSOK (Norwegian Oil & Gas Partners) in conjunction with the Norwegian Ministry of Petroleum and Energy will shortly be launching the fourth mentoring programme. With improving recovery from our producing fields currently a topical theme both in the UK and Norway this programme will have an IOR/EOR technology focus. The aim will be to match Operators and Large Contractors with an active interest in EOR/IOR from the UK and Norway with relevant SME's in the reciprocal country.

The 12 month programme will provide a strategic insight and a great opportunity for companies to engage and understand opportunities and EOR techniques in both the UK and Norway's oil and gas market. It is expected the networking within the overall programme and flow of ideas across all participants will create a win-win for all those taking part.

It is envisaged the programme will promote buy-in for progression of EOR projects and encourage investment in new technologies. It will strengthen relationships between the two countries and expanding the range of technological IOR/EOR opportunities available to the UK and Norwegian supply chain and provide a valuable insight into business practices and cultures in the two countries.

This document provides a background and further details on the mentoring programme.

1.0 Background to Business to Business Mentoring

Business to Business Mentoring Programmes are becoming much more common place and are being run in an increasingly wide spectrum of industry sectors. Within the Oil and Gas sector, PILOT / DECC (formerly DTI) have run several Business to Business Mentoring Programmes (B2B) over several years, which realised a significant number of benefits for both Mentor and Mentee organisations. Over 150 SME's applied for the programmes, with a total of 35 Mentor / Mentee pairings being established.

Drawing from the experience gained, lessons learned and the undoubted success of the UK B2B programme, a UK / Norway cross border Mentoring Programme was established with the overall aim of providing Mentors from Oil Operators and Contractors in the UK and Norway to Small to Medium sized Enterprises (SME's) in the opposite country to improve cross border export opportunities and share knowledge.

The Mentor organisations gained an insight into the influences and issues facing SME's, including the effect of their own commercial and supply chain practices, whilst SME's gained a better understanding of how larger organisations operate and subsequently allow them to improve their strategy

and working practices. It also helped provide a valuable insight into business practices and cultures in the two countries.

Mentors have previously been supplied by organisations such as Statoil, Aker Solutions, AGR, Premier Oil, Shell, Technip, Petro-Canada, TAQA, and ConocoPhillips. Each Mentor was matched with an appropriate SME organisation in the opposite country through a comprehensive matching and selection process. Each pairing worked together over a 12 month period on issues predominantly relating to the SME, and developed a joint case study which reflected their combined experience, achievements and learning on the programme.

2.0 What are the Potential Benefits of B2B Mentoring?

B2B mentoring can offer a significant range of benefits to both SME and Mentor organisations. From the experience gained on the previous programmes, the following summarises some of the primary benefits which have been realised by the SME's who participated:

- Improved understanding of the UK / Norway markets
- Enhanced understanding of the way Oil Operators / Major Contractors work and think leading to improved business relationships
- SME business strategy improvements with significant benefit expected in the longer term
- Growth in export turnover and profitability
- Improved management systems / processes
- Improvements in Supply Chain interfaces and better understanding of contracting strategy
- Provided a very open and honest environment to discuss shared issues between Operators, Contractors and SME's
- Significantly improved network of contacts

In any Mentoring programme it is important that the Mentors also benefit from their participation. The following summarises some of the key benefits which have been achieved by the Mentors / Mentor organisations:

- Improved understanding of the UK / Norway markets, including better understanding of differences in relation to UK / NORSOK standards
- Greatly improved understanding of the way SME's operate and the specific problems / barriers they can encounter in their dealings with Oil Operators and Major Contractors not at least when trying to introduce new and innovative technologies
- Improved knowledge of their own organisation and SME business strategy
- Improved individual knowledge in technical / commercial areas, changing ideas and challenging thought processes, helping understand cultural differences and enabling a more open minded approach
- Improvements in Supply Chain interfaces and better understanding of contracting strategy leading to introduction of Supply Chain initiatives

- Personal development and improvement of own mentoring and coaching skills
- Significantly improved network of contacts

3.0 How does the UK / Norway B2B Programme Work?

This is a novel approach to assist SME companies from both sides of the North Sea understand and enter or expand new export markets.

The underlying aim of the programme is to provide benefits for both parties focusing on IOR/EOR best practice. It is envisaged the programme will promote buy-in for progression of EOR projects, encourage investment in new technologies and lead to joint-venture agreements between parties in EOR projects through the involvement of key decision-makers in the participating organisations. The Mentor organisations will gain an enhanced insight into the influences and issues facing SME's, including the effect of their own commercial and supply chain practices in relation to IOR/EOR on SME's, whilst at the same time SME's will gain a better understanding of why larger organisations behave as they do. It will also be a very useful tool in strengthening relationships between the two countries and expanding the range of technological IOR/EOR opportunities available to the UK and Norwegian supply chain and provide a valuable insight into business practices and cultures in the two countries.

The first three phases of the programme has seen 36 Mentors provided from operators and / or major contractors from both Norway and the UK matched with 36 Mentee organisations. It is intended that phase four of the programme is run with 6 Mentor / Mentee matches from each country.

SME's from the UK and Norway will be invited to apply for the programme and will be required to complete a preliminary application form. Those who meet all or most of the qualifying are deemed suitable may be asked to provide some additional information which will be used to undertake a selection process which may include interviews with, and formal presentations to a selection panel.

To ensure the highest quality of applicants, successful SME's must meet all or most of the following qualifying criteria:

- Have less than 250 employees
- Actively involved in the Oil and Gas Industry
- Currently involved in exporting to the other country e.g. UK companies to Norway and Norwegian companies to the UK
- Proactive and innovative in EOR/IOR development product or service development
- Able to demonstrate a proven performance in QHS&E
- Financially sound

Once this selection process has been completed, a Mentor / Mentee matching process will be completed with the aim of ensuring as close a match as possible between the skills and experience of the Mentor and the needs of the SME. Each Mentor / Mentee pairing will work closely together with the aim of enhancing the following primary areas of influence:

- Communication and mutual understanding of the different needs of operators, major contractors and SME`s from both and how these needs may be better fulfilled - whilst recognising the diversity in business cultures
- The strategic development of SME`s in line with the trends and needs of the Oil and Gas sector in the respective countries
- The realisation and application of SME`s technologies and services
- The sharing of knowledge and lessons learned in each country

Each Mentor will be expected to devote between 5% and 10% of his or her time mentoring an SME from the neighbouring country over a 12 month period. Direct costs for Mentors should be minimum with the Mentee being expected to visit the Mentor at least once every quarter, this will be in addition to regular telephone and e-mail contact. Mentees will be expected to devote a significant amount of time to the programme and will pick up the cost of any travel or accommodation costs they incur throughout the programme.

In addition to the one-to-one aspect of the mentoring relationship, there will be a number of networking events organised for participants. These will be organised on a quarterly basis in alternating countries and will provide the opportunity for networking amongst participants and sharing of experiences and review of progress to date. It will also provide an opportunity for appropriate guest speakers to talk to the collective programme membership.

4.0 Programme Management Support

In order to ensure the success of the UK / Norway B2B Programme, facilitation and management support will be required. The programme will be facilitated by Senergy an energy services global company with past experience of hosting technical events and developing and maintaining both the IOR and Heavy Oil web portals on behalf of DECC. Senergy have both a UK and Norwegian base and an Aberdeen project manager who is also a reservoir engineer will facilitate and help with the management of Phase 4 of the UK/Norway programme. Their role will encompass the following:

- Assistance with the application and screening processes for SME applicants
- Facilitation of the selection and matching process
- Training of Mentors
- Briefing of Mentees
- Facilitating initial meetings between Mentors / Mentees
- Ongoing support to Mentor / Mentee pairings

- Assistance with the development of case studies at the end of the programme
- Progress reports after each Networking event
- Programme overview and executive summary
- Co-operation with the representatives of DECC and INTSOK in planning and organizing networking meetings

5.0 Programme Milestones

In addition to the milestones detailed below, ongoing progress will be monitored and reviewed by the UK/Norway supply chain steering group.

Key Programme Milestones	Target Completion Date
Selection and confirmation of UK and Norwegian Mentor Organisations	Mar 2012
Invitation to apply / application forms sent to SMEs	Mar 2012
Closing date for SMEs application forms	Mar 2012
Identification / Selection of Mentors	Apr 2012
SME Application screening and selection process	Apr 2012
Notification of successful SME applicants and allocated Mentor	Apr 2012
Delivery of Mentor training and development programme	Apr 2012
Formal Launch Event	May 2012
Ongoing Mentoring meetings / Support	May 2012 to May 2013
Quarterly Networking Events	1. 14/15 th May 2012 – Aberdeen 2. 21 st - 23 rd Aug 2012 - Trondheim 3. 11/12 th Dec 2012 - London 4. 6/7 th Mar 2013 - Stavanger
Development of Case Study	May 2012 / May 2013

6.0 Programme Outputs

Each Mentor / SME pairing will be required to develop a strategic action plan with clear objectives to be worked on throughout the course of the programme

which will be monitored and measured throughout the programme. A condition of participation is the commitment from each pairing to develop a short, 6 to 7 page, case study summarising their experiences, lessons learned and benefits gained throughout the programme, which will be publicised within the industry. DECC and INTSOK will jointly host regular networking events throughout the programme.

Mentors will receive full training prior to commencing the programme and they may be involved in the SME selection process.

7.0 Application Process

UK based companies should request an application form by contacting:

Rebecca Barry
Industry Development Executive
PILOT Secretariat, Industry & Technology Development
DECC - Department of Energy & Climate Change
3rd Floor
Atholl House
86-88 Guild Street
Aberdeen
AB11 6AR
Tel: +44 (01224) 254057
Fax: +44 (01224) 254089

pilot.secretariat@decc.gsi.gov.uk

Norwegian based companies should request an application form by contacting:

Ingvild Litlabø
Controller
INTSOK
P.O. Box 631 Skøyen
N-0214 Oslo
Norway
Tel: +47 22061493
Fax: +47 22061490

Ingvild.litlabo@intsok.com

The closing date for applications is 23rd March 2012