



Shell Oil Company

*Completion of \$1.45 billion Project
Four Months Ahead of Schedule*

Learning as Leadership Case Study

*L*earning as Leadership partnered with the leadership team of Shell Oil's offshore oil platform, URSA, over a six-year period, helping them to repeatedly accomplish extraordinary results. URSA is the world's largest deepwater platform. Combining LaL's consulting, facilitation, training and 360 feedback services, LaL was able to support URSA to return from the brink of failure, rapidly becoming one of the top producing oil wells in the Gulf of Mexico. A \$1.5 billion project, URSA is located 130 miles offshore, operates around the clock, and produces 175,000 barrels of oil and \$7-8 million of sales per day, depending on the price of oil. When the URSA Asset Leader first approached LaL, drilling problems had set back the construction of the rig by 6 months, costing the company \$250 million.

Phase I: Achieving the Impossible

In Phase I, Rick, the URSA Asset Leader and his team participated in LaL's *4-Mastery* One Year Leadership Development program. In his first seminar, Rick discovered how his desire to be the hero and please his team led him to protect them when things did not go well. He and his crew negotiated easily achievable goals so as not to fail or be criticized. They believed they could only influence their own assignment, and setting goals beyond their personal responsibility scared them. Rick became aware of how and why he did not push himself or his team beyond their comfort zone. When he realized the degree to which these behaviors were contributing to the failure of the project, he pushed his team to take risks and responsibility for the success of the entire rig, not just their part of it. With coaching support, he provided unprecedented cross-functional leadership, challenging his own team and other units to step out of their territorialism and work



as one group towards a common goal. He worked through strong initial resistance and ultimately obtained their buy-in to accelerate the project. As a result, not only did they make up their six-month setback, they surpassed all expectations by completing the platform four months ahead of the original schedule.

Phase II: Inspiring Goals

By the end of 1999, the project had encountered a new set of difficulties. The first oil well failed and production volumes were minimal. The gap between current productivity and their performance objectives was so wide that most of leadership and staff had fallen into a victim attitude, complaining that management was unreasonable. Rick sent five more of his team members to Learning as Leadership's training to revitalize the project. Through the seminars and subsequent coaching, team members were able to identify and overcome individual and team obstacles to success by talking openly about the current issues and giving honest feedback regarding improvement measures. They began articulating a vision, agreed on a framework for implementation and accountability. LaL then facilitated a three-day on-site goal-setting session in which the team outlined the business situation and succeeded in discussing individual obstacles limiting the team's performance. By addressing their powerlessness, they were able to move into action. They outlined five core goals they cared about in areas of production, safety, environment, cost reduction and values in a language everyone could understand and commit to, the team got back on track. They were able to increase year 2000 production performance by 43%, reduce operating costs by 50% and maintain a 99% up-time. The URSA team still follows these five goals today.

Phase III: Successful Transition

As new members of URSA's leadership team joined the rig, they participated in the *4-Mastery* program to maintain the culture of learning and practice. Open, honest, direct communication and effective collaboration continued to grow among team members. When Rick was promoted, the new Asset Leader, Christina participated in *4-Mastery* in November 2002 to align with the team. At the time of her first LaL training, Christina felt under a tremendous amount of pressure; she was stepping into big shoes. Her predecessor was a charismatic leader, with a loyal following in his team who had achieved unprecedented results. She felt she had to live up to performance measures established by him and her management team – which she deemed impossible to attain. In addition, the leaders on URSA were being tapped for higher levels of the organization, leaving her with new leaders

to develop. At the urging of her LaL coach, who knew the team's capabilities, and wanting to continue the tradition of risk-taking, the Asset Leader defined higher

targets than she thought possible. When she presented them to the team, they took on the challenge with enthusiasm, the fruit of years of effort to develop just such a culture. LaL conducted another on-site facilitation in January of 2003 to align the team on these goals. By the end of the year, production targets had increased by over 1 million barrels of oil, costs were reduced by almost 20%, and URSA broke records for the longest production up-times. To her amazement the team not only met the seemingly impossible targets, they actually exceeded them.

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Collaboration with LaL: Nov. 1997 to Current



RESULTS

Outstanding Performance Achieved

*Lead by Rick Fox, Asset Manager
from the platform's inception.*

- Reduced project schedule and completed platform four months ahead of schedule, saving \$40 million in 1998
- Reduced operating costs by more than 50% from business plan in 2000
- Achieved “Best in Class” uptime performance of 99% in 2000
- Dramatically improved 2000 production performance by 43% (12 million barrels)
- Outstanding safety performance

Performance Surpassed

*Lead by Christina Sistrunk,
Succeeding Asset Manager*

- 2003 production was over 4 million barrels of oil.
- Reduced costs by almost 20% (\$4MM) over the previous years.
- Broke record for longest up-times.

Continued Legacy

*Performance started under Rick Fox
and maintained under Christina Sistrunk*

- Outstanding safety performance
- Ahead of targets and achieving aggressive environmental goals:
 - o Exceeded clean air act requirements
 - o Pioneered an aggressive recycling and waste minimization program, and a wellness program.
- Created a culture and an atmosphere with high morale and a high rate of skill acquisition and advancement; a benchmark for excellence in the Shell world