

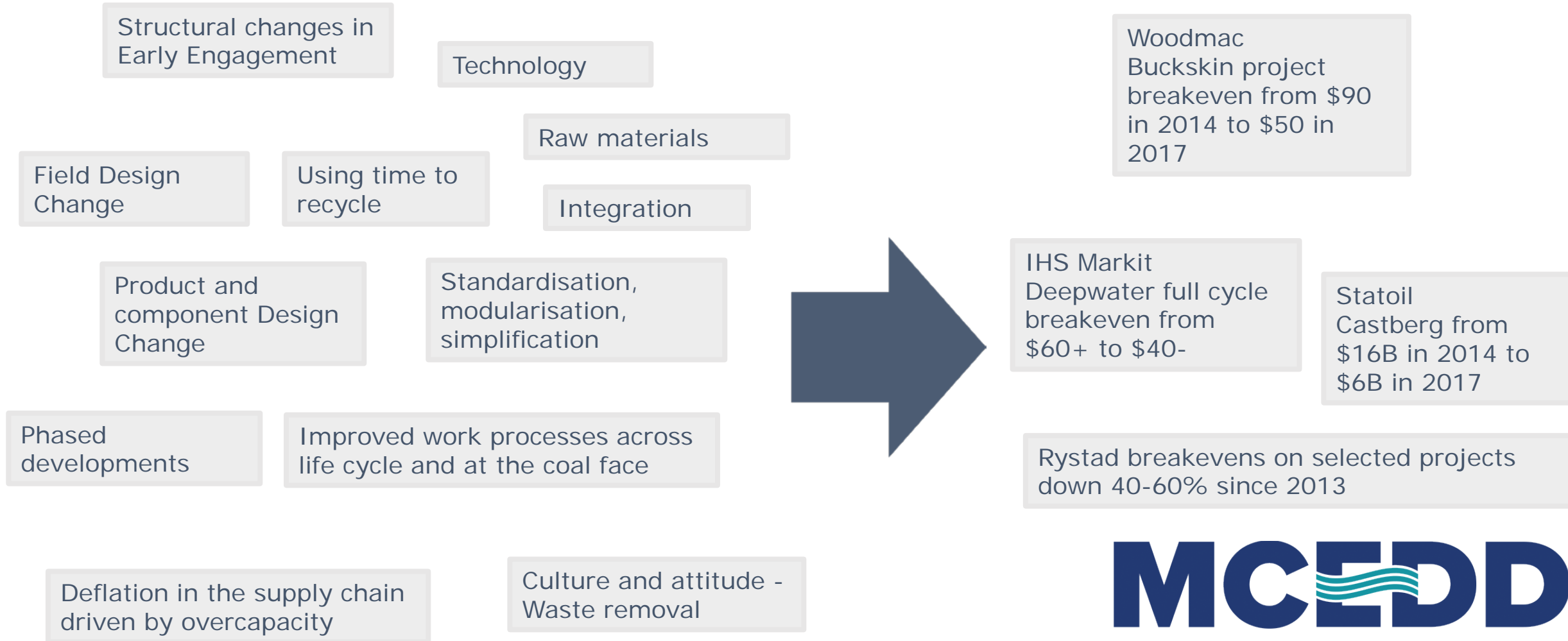
# A Culture of Collaboration

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**subsea 7**

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# Strong Industry performance in improving cost efficiency is well documented and a driving force for recovery



# Continued efforts will be required

- What is **structural** (sustainable) and what is **cyclical** (will reverse)?
- Estimates are that only 50-70% sustainable if we revert to business as usual – a return to business as usual would represent a risk to recovery
- Continued focus on Structural change is needed to lock in and extend gains
  - Technology and Integration
  - Continued improvement of our ways of working
  - Driven by the right commercial and Contracting models
- Collaboration models are a key enabler for these structural changes and represent the most effective framework



# Subsea 7 Collaboration models

- Different collaboration models with our Customers
  - Formalised multi-project / region Client partnerships – Premier, Spirit Energy, MOL, Okea
  - Fully integrated Client Alliances – AkerBP
  - Project based collaboration with focus on setting of common objectives, ways of working, performance measurement and transferring knowledge
  - Early engagement through design competitions and concept-FEED
- And within oilfield services supply chain
  - Subsea Integration Alliance (Subsea 7 and OneSubsea)
  - Numerous other supplier collaborations across the industry (full M&A, Joint Ventures, Alliances and Partnerships)
  - A key theme of these collaborations - deliver structural changes through new technology and execution solutions



# Observations on Subsea Integration

- Supporting Subsea Integration (SPS-SURF and beyond)
  - Supplier led solutions and supplier led standardisation
  - Early engagement, technical optimisation, and “right first time”
  - Reduced project execution risk and controlling cost escalation post sanction
  - Technology viewed from system perspective (across segments rather than only within segments)
  - A holistic approach towards CAPEX and OPEX
  - Cost synergies
- Significant market already established with demonstrated benefits
- But not the solution for all projects and all clients so maintaining flexibility has a strong value



# Concluding Remarks

- We are seeing a shift in Contractual and Commercial models towards increased collaboration as the market recovers
  - Client partnerships
  - Contractor and Client Alliances
  - Integration
  - Design competitions - FEED to Installation
- This is delivering clear results for the industry and its in focus for Subsea 7
- We need to continue this Structural change to ensure Sustainable gains in Subsea value creation
- Expect to see continued development and uptake of these models over coming years



# Thank you

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