

# Proserv: Backing Strategy and Technology in Challenging Times

Iain Smith, Senior VP, Proserv Controls describes current and future approaches to dealing with the on-going headwinds.

**It's fair to say the past few months have been like nothing witnessed in more than a hundred years, since a deadly flu pandemic swept across the globe. Words such as "unprecedented" have been used liberally across news platforms to describe the times we are living through. Terms such as "social distancing" have rapidly become engrained in everyone's psyche and everyday lives.**

Yet this is 2020, not 1918, and huge advances in both scientific research and technology have meant that, despite the challenges we have all faced, life has managed to be protected and safeguarded while carrying on as best it can, whether via logistical adaptations or remote working.

For those in the oil and gas industry, the headwinds have been particularly intense as the onset of a worldwide health emergency coincided with a collapse in oil prices. This perfect storm has inevitably led to project delays and cancellations, softening work backlogs for many firms.

## Streamlined and agile

At Proserv we understand that oil and gas can be a cyclical business, subject to price spikes and troughs, because of a myriad of factors. As an oilfield services provider, we were not immune to the severe downturn of 2015 and the fall-out of that enabled us to restructure and refocus our business on our core strength of controls technology. By the autumn of 2019 we had divested ourselves of non-core units and activities, adopting a leaner, streamlined and more agile model.

So when the combined impact of the Covid-19 virus and lower prices first hit, we were perhaps better positioned than many to roll with the initial punches as we had already been through a process of right-sizing our business. But no firm, in almost any sector, can remain immune to the consequences of such a day-to-day paralysis for long.

Our priority remains the well-being and safety of our employees and their families spread around the globe. We have now lived with the implications of Covid-19 for several months and from a health and safety viewpoint, our technicians have incorporated new regimens around hygiene, social distancing and mask wearing where required, in addition to their normal practices.

From an operational perspective, one of the biggest challenges has been balancing the critical need to fulfil contract obligations, while different regions have been at varying stages of the pandemic's timeline. So, while a Norwegian facility might be functioning at almost normal capacity, a site in the Arabian Peninsula could be subject to strict curfews and local lockdowns.

As we enter H2, uncertainty underlies how effectively wider industrial activity gets back up to speed and whether threats of a substantial second wave of the virus prove accurate. The future trajectory of the oil price will be controlled by those factors.

## Trends and technology

With the subsea sector naturally seeing a pullback in expenditure, all industry trends point to more modest and cautious project developments, plus a need for ever greater reliability from control systems technology to enhance efficiencies and maintain production.

The Kimberlite 2020 Subsea Equipment & Services Supplier Performance Report revealed international operators will direct 56% of their expenditure up to 2022 solely on brownfield production enhancement and expansion. The Kimberlite study also found that the mean time between failures for subsea equipment is just 22 months, with control modules being the likeliest culprit.

At Proserv, we trust our coexistence technology and our core strategy are already attuned to current market directions, whether that is enabling moderate gains to be realised via affordable field extensions or providing reliable control modules. In the coming months, all oilfield service providers will need to develop nimble, relevant and smart strategies to survive in a world of slim margins, reduced investment and further potential volatility.



Iain Smith, Senior VP, Proserv Controls