



Finding Faults In The Future— Responding To The Challenges OF A Retiring Workforce

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SEG July 2002 Report: Exploring Compensation Levels

- A little over half of industry professionals, in Western oil and gas companies, will retire within the next 10 years.

The Problem

- An Aging Workforce

SEG July 2002 Report: Exploring Compensation Levels

- Over ½ of respondents were between the ages of 45-59
- Respondents had 21-31 years of geophysics experience
- The largest group of respondents (23.8%) were from interpretation-exploration

Top Three Employers

- 26% Service Companies
- 25.6% Major Oil and Gas Companies
- 11.2% Small Independent Companies

SEG July 2002 Report: Exploring Compensation Levels

“Coupled with current demographics information, which also indicates a shrinking number of younger workers overall, the SEG and the industry at large should continue to address this trend through scholarship programs and educational processes.”

Impact On The Industry or How Do We Do More With Less

- Potentially we could loose the productivity gains of the last 15 years
- A 15% increase in the development cycle & operating costs can decrease the net present value (NPV) of a project by up to 15% per year

Responding To The Change or

How Do We Do More With Less

- Reintroduction of functional elements into organizational models at expense of asset teams

Responding To The Change

Productivity growth led by:

- Investments in digital technology
- Improvements in computing and communication tools

MIT Econometric Study & Moore's Law

MIT-For every 1% change in computing investment as a factor share of production, you realize gains of 0.01-0.03% in productivity

Moore's Law-computer power doubles every 18 months

Magic Earth's Immersion Environment Slide showing the outside of it.

Example: advanced seismic imaging-traditional vs. SpecDecomp approach

Example: modeling while interpreting slide

Example: Slide of The Real-time Paradigm shift

Inducements To Delay Retirement

- % salary increases for every year served after retirement age
- Conduct forums and find out what these professionals want
- Offer virtual world environments- where workers can literally be drinking a margarita on the beach while working

Increases In University Hiring

- LMG supports universities through grant monies and scholarships
- LMG supports graduates through positive mentoring internships

Unconventional Resources

- Identifying and hiring petroprofessionals globally
- Identifying and hiring petroprofessionals from other disciplines
- Providing grants to universities, worldwide, to induce graduates into the industry
- Tapping technical societies to provide grants to local universities, job training through work programs and campus forums

How Can You Make A Difference?

- Embrace change
- Foster innovation and collaboration
- Integrate

greatest technology with smiling professionals working together or some kind of globalization reference