



Crossing the Technology Chasm

A Special Presentation for:

Petroleum Equipment Suppliers Association

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Presentation Outline

- Brief history of oilfield drilling technology
- Technology acceptance issues in oilfield
- Keys to accelerated technology acceptance
- Steps to crossing the technology chasm



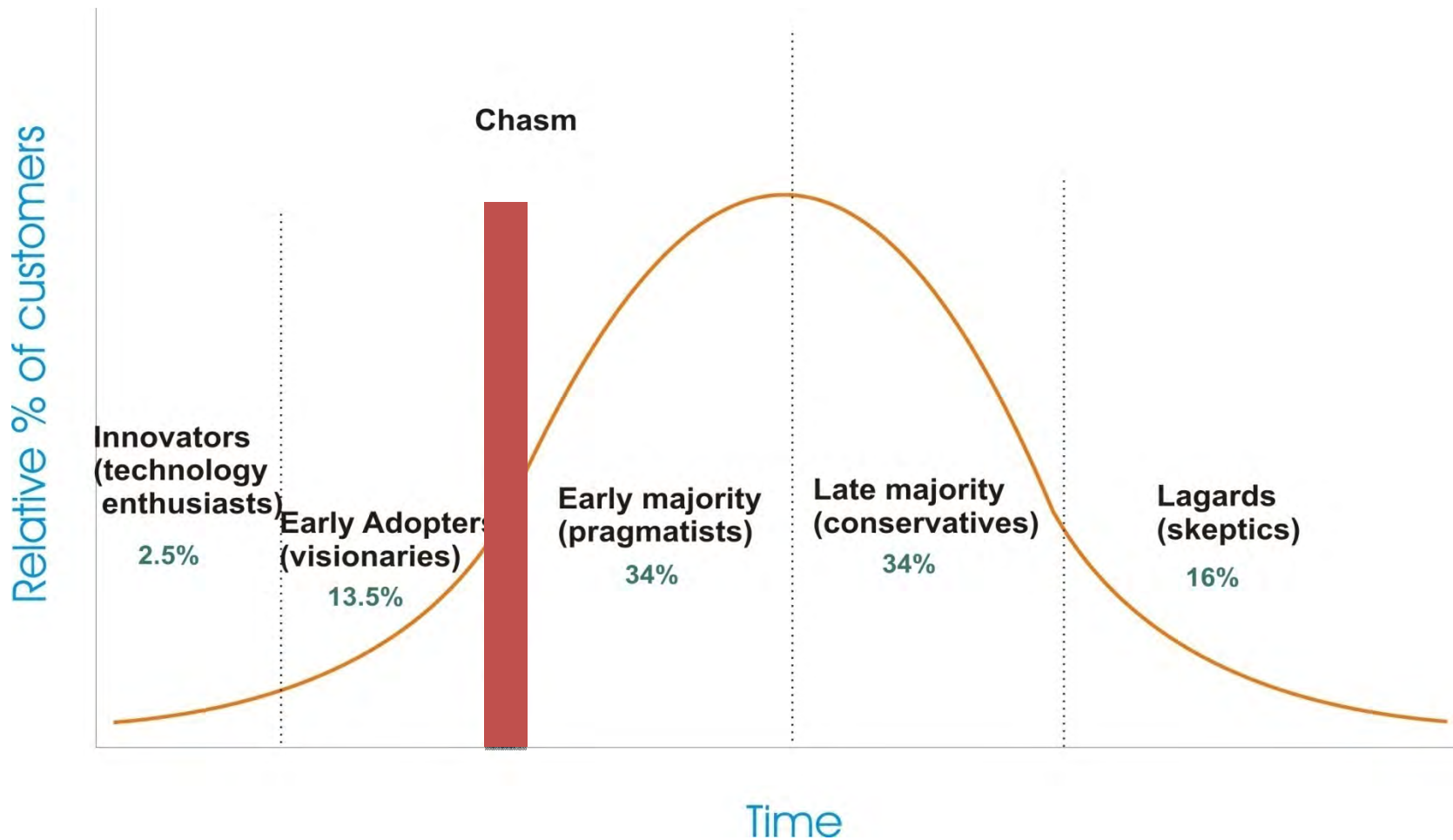
Early Drilling Technology Progress



Early 1800's

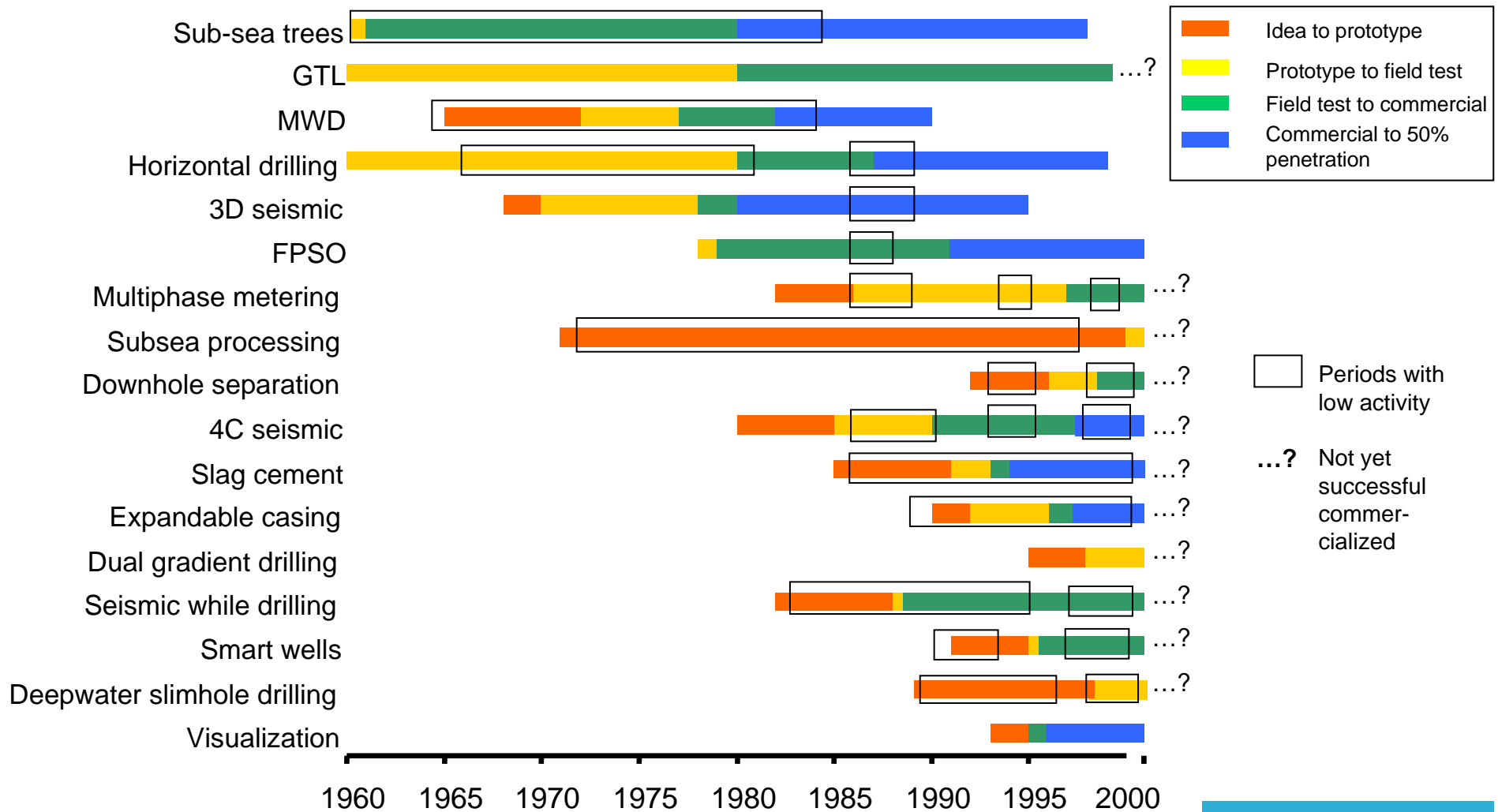


Oilfield Technology Chasm



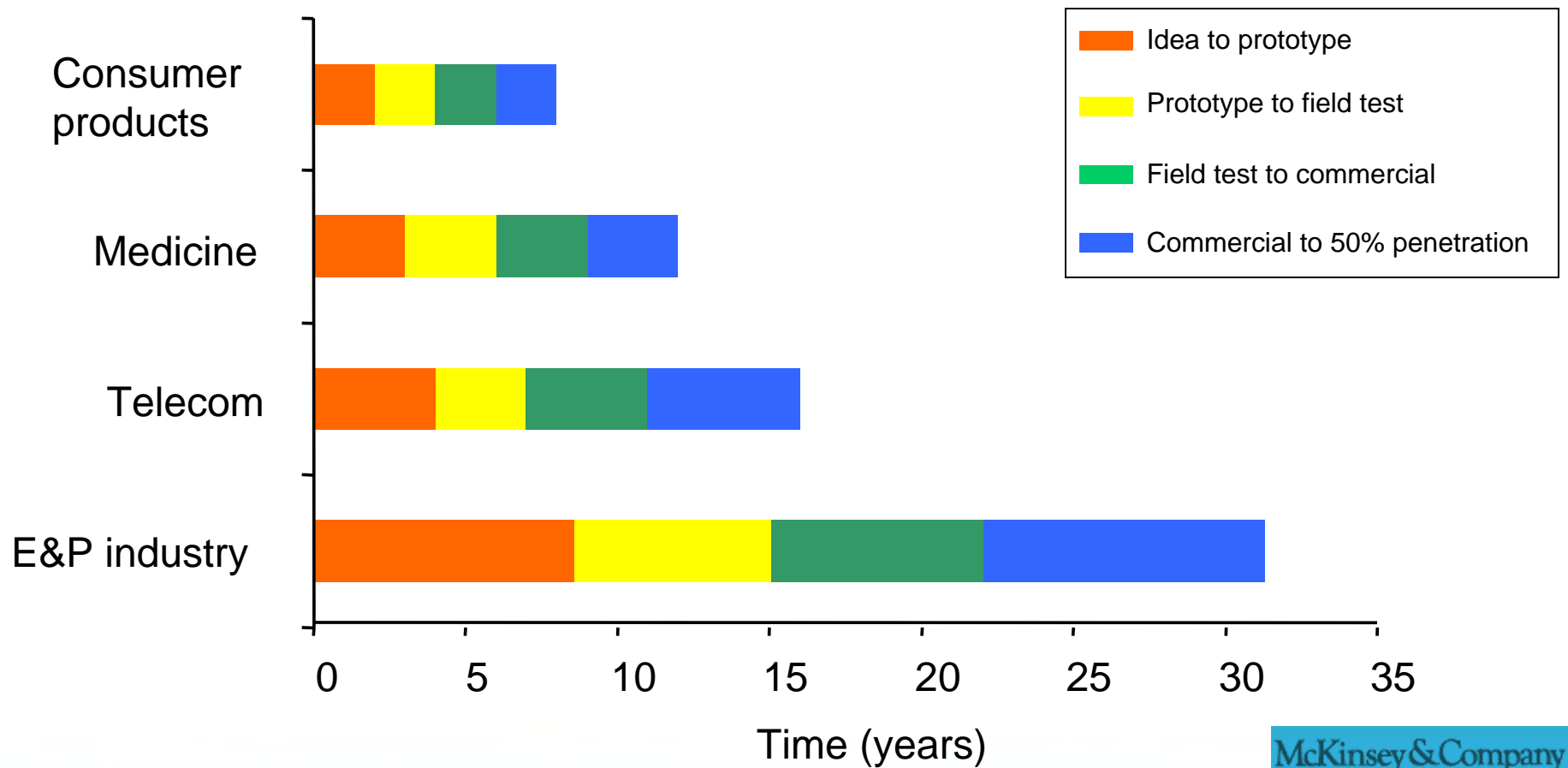
Source: Geoffrey Moore

A Few Good (Bad) Examples!!



E&P Pace of Innovation vs. Other Industries

Average duration of the four phases in different industries



McKinsey & Company

Oilfield Technology Acceptance Observations

- Technology is the intellectual currency of oilfield service companies/manufacturers
- Oilfield service companies are unsurpassed at developing technology, but often uninspiring in choosing which technology to introduce and how to accelerate its acceptance
- Good marketing will sell little of an inferior product -- bad marketing will sell even less

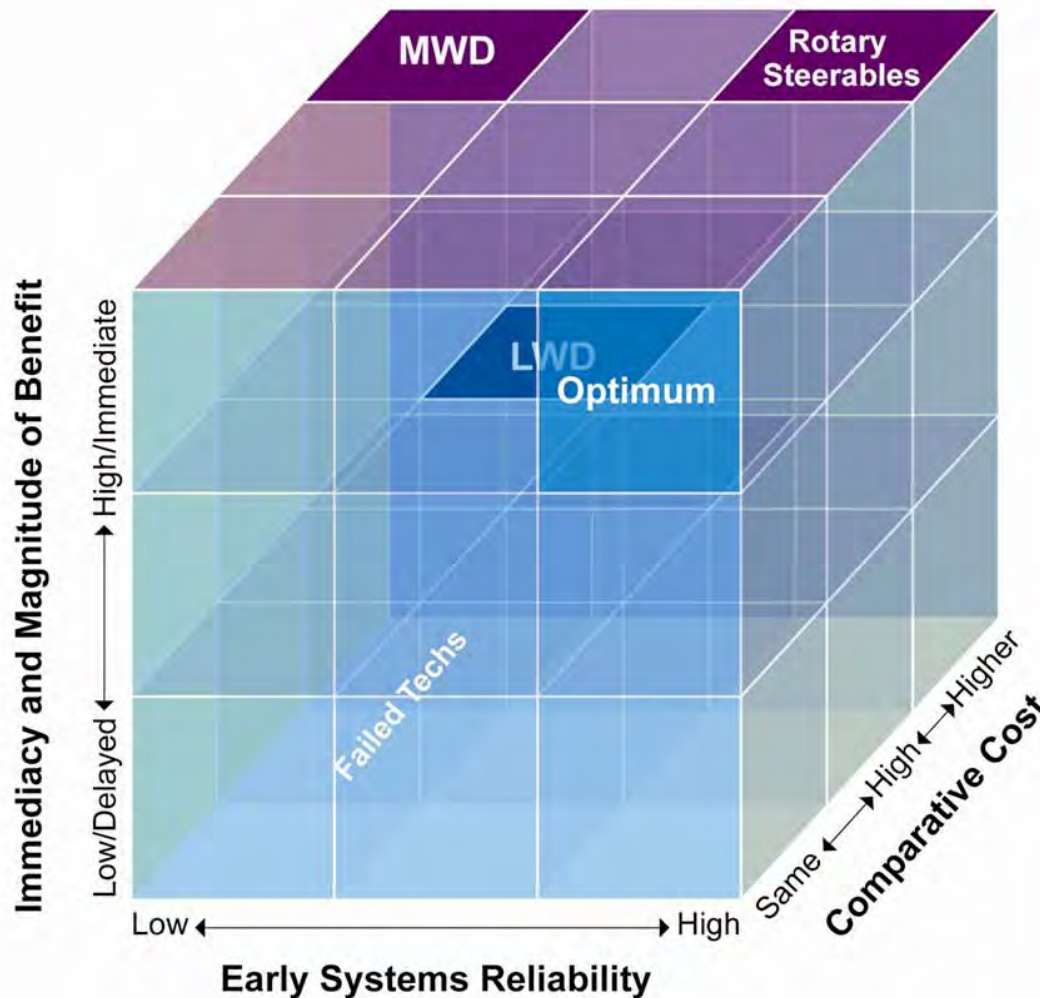


Oilfield Technology Acceptance Factors

- Immediacy and magnitude of technology benefit is the engine that drives operator acceptance
- Level of “early” reliability can affect the slope of the technology acceptance curve
- Cost of ownership in comparison to previous generation of technology can be an inhibitor



Decision Strategies Technology Cube



Tech Cube

- 3 X 3 X 3
- 27 cubicles
- Plot each axis
- Rough rate of acceptance can be estimated

Source: Decision Strategies

Failure Modes In Technology Acceptance

- Introducing poor or niche technologies
- Commercializing technology that is not ready
- Poor product/service introductions
- Not understanding operator risk perceptions
- Too aggressive pricing schemes



Steps to Crossing the Technology Chasm

- Technology providers must become better listeners
- Focus: What they will pay for – not what they “want”
- Develop better operator feedback mechanisms
- Better marketing/new product introductions
- Form more alliances with oil companies
- Conduct more market research

