

Consolidation in the offshore industry – what does it mean for workforce planning?

Submitted by: PR Artistry Limited

Thursday, 12 July 2018

According to Lee Clarke at Dynama, today's mega mergers and alliances signal a tremendous business opportunity but what is the impact on workforce planning? Here he takes us through the challenges and the powerful role workforce management has to play.

Mega mergers and alliances were a key theme at this year's Offshore Technology Conference (OTC) in Texas, with CEOs discussing the merits of consolidation to improve efficiency and boost economics across the industry. The buzz around the approval of McDermott's merger with CB&I and plans for Schlumberger and Subsea 7 to form a joint venture, threw the spotlight on renewed interest in consolidation within the offshore sector.

Whatever the rationale in boardrooms for new partnerships, mergers and acquisitions, one question remains - what does all this consolidation mean for workforce planning in the industry? Following a merger or acquisition the focus soon moves to cost efficiencies and labor costs are typically at the top of the list. In the offshore industry a further twist is the pressure to use the new combined labor force effectively and this is where workforce planning is so important.

Understanding the chaos behind consolidation

Bringing together two different companies is rarely easy. The first step is to understand the common challenges that organizations encounter during times of transformation. Start by focusing on the critical pain points to make the transition as smooth as possible, for example:

- Fear and uncertainty – poor communication around the benefits of change can de-motivate staff and prompt them to look for alternative employment. If the aim of the merger or partnership is not communicated correctly the result can be to distract the organization from its objectives. Good communication can help to settle nerves and maintain productivity.
- It's not just about people – staffing requirements need to be combined with physical assets such as buildings, vessels and other equipment, as well as essentials such as the timely availability of travel documentation and correct qualifications to deliver compliant, successful projects on time and on budget.
- Projects and people are complex and global – client projects, just like staff numbers, are likely to become even more complex and global with fast-changing schedules. On the upside consolidation can allow organizations to bid for larger projects requiring increased financial commitment along with a wider range of equipment and resources. However, there is a need to know what vessels and other resources to retain and which to dispose of to maintain profitability.
- Stabilize the business post merger or acquisition – while one motivation for mergers can be consolidation and growth another can be to counter the cyclical nature of the offshore industry by the addition of a variety of skills and equipment to meet, for example, diversity capability and other

challenges.

The next step is to address these consolidation challenges by using technology to drive efficient workforce planning across all operations.

The unifying effect of workforce management technology

Unification is where the latest innovation in Workforce Management (WFM) comes into its own. It can actively consolidate the three significant capabilities of workforce management - deployment, workforce compliance and business planning, within a collaborative environment to gain back control during times of significant change. Automation removes duplicated effort and reduces the administration burden of merging two disparate organizations. It streamlines processes to encourage consistent ways of working and promotes collaboration. What is more, a cloud-based infrastructure gives increased protection against data security threats as organizations move data and merge their respective IT infrastructures.

Six capabilities of WFM to bring order out of chaos:

1. Global view - the latest WFM solutions link seamlessly with strategic HR and project management systems to capture and store all critical information in one place. This provides a clear and single view of resource and equipment around the world. Knowing what you have is crucial to creating an efficient structure that builds on the combined strengths of both organizations.
2. Find the right people – in theory, having two organizations means having a much larger talent pool to choose from. Use your WFM to generate a complete and accurate skills matrix that captures the experience and qualifications of all staff, matches them to new job roles and identifies any skills gaps. However, without an automated WFM and skills matrix it can prove difficult to compare like for like as a result of increased volumes of data.
3. Then keep them! – to keep staff focused on their job and stay motivated, start by communicating positive aspects of the new combined company or partnership. Where possible, maintain business as usual with meaningful training programs and a clear career path, simple steps that combine to increase employee engagement and highlight the potential for new opportunities and growth. Then, use your WFM solution to create a secure online portal that empowers staff to self-serve their working lives, state their individual preferences, locations, book time off and tap into dynamic data to gain visibility of what their colleagues are up to.
4. Round-the-clock optimization - see at a glance who you have and where you need to assign them, to maximize multi-skilled resources. Maintain a watchful eye on projects and resources using metrics and dashboards to measure performance while the organization settles down following consolidation.
5. Be in control to weather uncertainty - modern WFM solutions put offshore workers in complete control of their environment by providing easy but secure access to dynamic online data. Good, timely information gives them the confidence they need during times of change to take proactive and swift decisions about their working lives.

Managers can even use historic data to carry out 'what if' scenarios and develop the right-sized, right-skilled staffing plans before they go live for efficient cost control. Consolidation might mean double the number of people but it shouldn't mean double the trouble or costs!

6. Take compliance management to the next level – automated scheduling of activity and resources provides organizations with valuable time to focus on safety and compliance – this is especially important as the new entity or partnerships becomes established. While there might be substantial organizational changes the need for regulatory compliance never goes away. Modern WFM solutions can help to achieve full compliance with regulatory requirements and employment jurisdictions anywhere in the world, quickly and efficiently. For example, changes made to the crew list and the vessel out at sea are automatically notified to shore. This joined up approach to planning and scheduling gives everyone the confidence that vessels and projects are properly manned, will pass audit and are in full compliance with industry and employment regulations.

Successful organizational consolidation and transformation starts with efficient workforce planning and the latest innovations in WFM to make it all happen.

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About Dynama

Dynama, an Allocate Software company, builds on 25 years' heritage and is a leading provider of maritime and defence workforce deployment software. Headquartered in London, Dynama has a fully fledged new office in Canberra (Australia) with sales and support in the USA.

Its flagship product, Dynama OneView, is designed to underpin complex workforce management in safety critical and high skill level environments, delivering both safe staffing and productivity savings.

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