

Adding value through standardization

Why JIP33 matters, where we are and where we're going

Why change is needed....

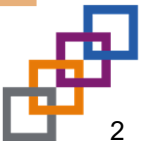
The oil and gas industry has a vast range of corporate standards.
They're used to procure everything from pumps to power plants
The only thing they have in common is that they're all different

Using them is like ordering a hand-made suit

- Everything takes longer to produce
- You need to allow for a lot of inspection and testing
- Extra costs but no evidence of greater functionality or added value



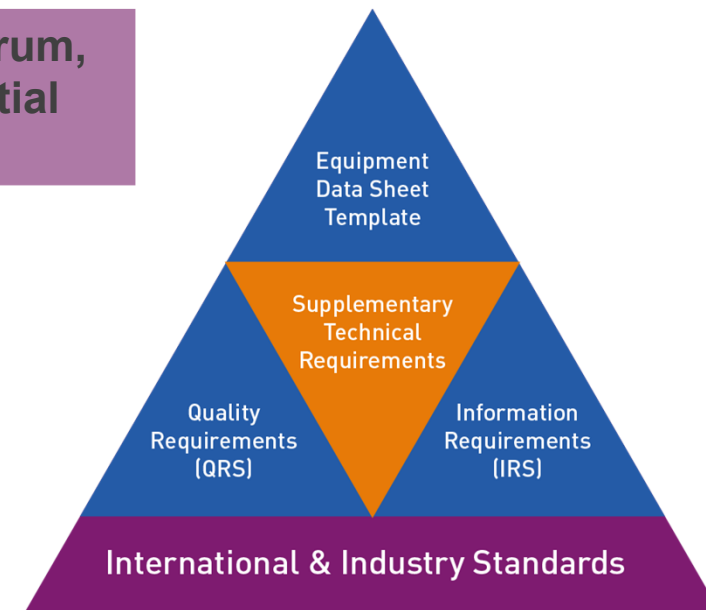
This has a BIG impact on the industry. Between 2010 and 2014
75% of exploration and production projects exceeded budget by 50%
50% of projects overran their schedule by almost 40%*



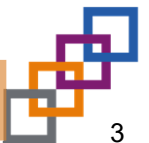
Realising value with JIP33 – the key principles

Initiated by the IOGP and endorsed by the World Economic Forum, Joint Industry Programme (JIP)33 creates standardized ‘essential minimum’ specifications:

- Functional designs and procedures/documents can be used and reused – leading to standardized production processes, smaller inventories and shorter lead times
- Users still have some options and choices. They don’t need to make changes or add supplementary requirements.
- Industry-wide adoption means repeatability for suppliers, leading to improved efficiency and reduced risk of cost and schedule overruns



JIP33 adds value by making the supply chain faster and more efficient



JIP33 specifications in use – added value proof points

LV and HV Switchgear



- Suppliers estimate 10% savings
- Used by 4 companies, with **confirmed 13% savings** on 2 POs and **average 4 week schedule reduction**
- Specs now actively offered by 2 EPCs as tender option

Centrifugal Pumps



- **Estimated 9% - 19% savings** overall (like API 610)
- Potential **30% – 40% reduction in engineering hours** if this becomes standard industry design

Cranes



- PO placed by 3 opco's - potential **\$300k LCC saving** per Crane
- Confirmed **13% cost savings** based on 1 PO (EN based)

Subsea Trees



- On PO's placed by 2 opco's, costs are in line with company specs but there's a **25% schedule reduction**

Ball Valves



- On PO's placed **Costs appear similar** to company spec



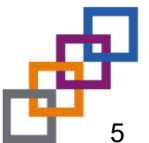
We're making progress on adoption and use

Adoption

- 16 different specifications are being used by Operators on more than 70 projects
- The specifications have been downloaded almost 30,000 times since early 2018

Implementation

- 40% of the published specifications have been used to purchase equipment/components:
 - >4000 ball valves
 - >600 LV and HV switchgear
 - 26 subsea trees ordered & 40 RFQ
 - 6 cranes

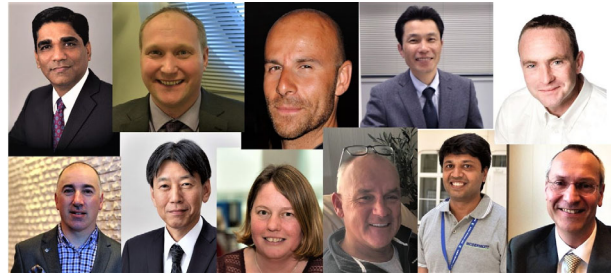


An industry-wide collaboration

Sustained support from 12 global owner operator sponsors



Increasing involvement from our growing EPC Partner Contractor group



Hundreds of suppliers attending industry days, and actively contributing to specification development



We've delivered a lot, but there's more to come

Phases 1 & 2

14 specs published

152 Subject Matter Experts involved
(inc. 100 suppliers)
5000 supplier comments
provided/reviewed
4000 supplementary requirements
defined
40 framing and alignment workshops
36 Steering Committee meetings

Phase 3

30+ new specifications by 2021

250+ Subject Matter Experts working
in 19 working groups
All specifications digitized
3 x Industry Days attended by
almost 700 people
EPC Partner and Operator user
groups set up
E-learning developed for users

2021 and Beyond

Continued Specification Development + Improvement

Focus of specifications moves from
single elements to packages
Begin to integrate JIP33
specifications with industry
standards
More Industry Days planned
Increased input from user groups

**All possible because of sustained industry commitment
to JIP33, both funding and resources**





International
Association
of Oil & Gas
Producers



Get involved and give us your feedback via

info@jip33.org

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Sign up to our [Mailing List](#).

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