

Pradeep Anand, Seeta Resources

Five Simple Rules for Making Money with Emerging Technologies



Society of Petroleum Engineers

SPE Emerging Technology Workshop

Delivering and Using Emerging Technology to Make Money in E&P

10:00–11:30 a.m.

SESSION VI: COMMERCIAL MANAGEMENT AND IMPLEMENTATION - PART 1

Chairmen: Pradeep Anand, Seeta Resources

John Hanten, Chevron Technology Ventures

Presentation 1: Collaborative Ventures - A Service Company Perspective

Dan Gleitman, Halliburton

Presentation 2: Financing Technology Development in Difficult Times

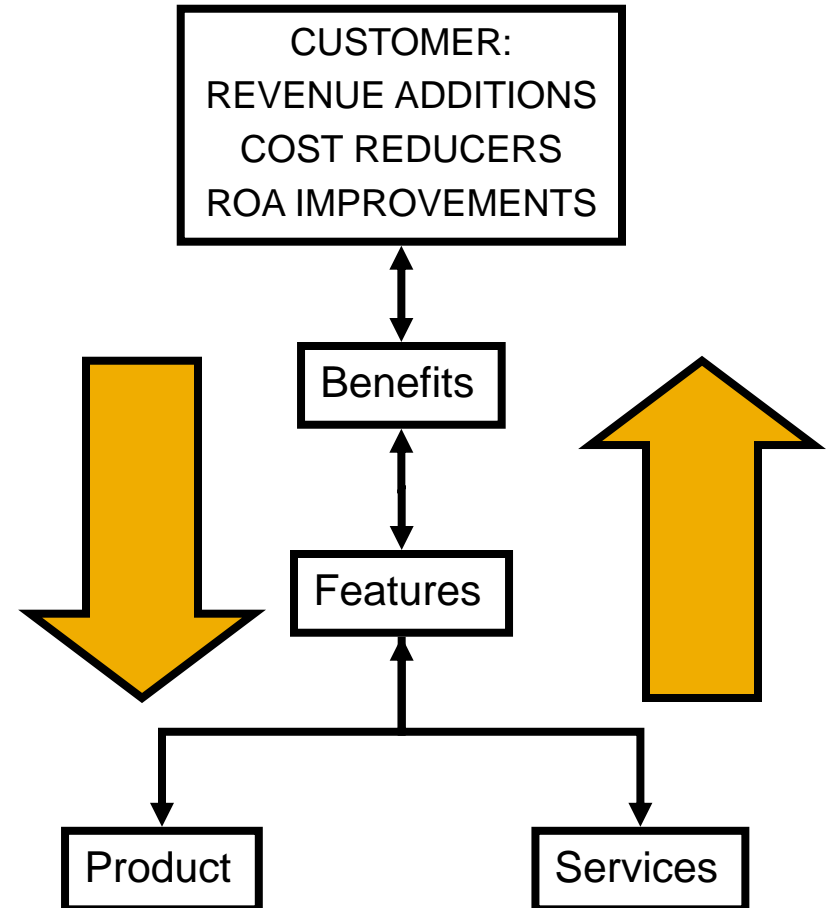
Rob Schwartz, Energy Ventures

Presentation 3: Collaboration for Technology Introduction - Success Stories from the Geophysical Sector

Jim Hollis, ION Geophysical

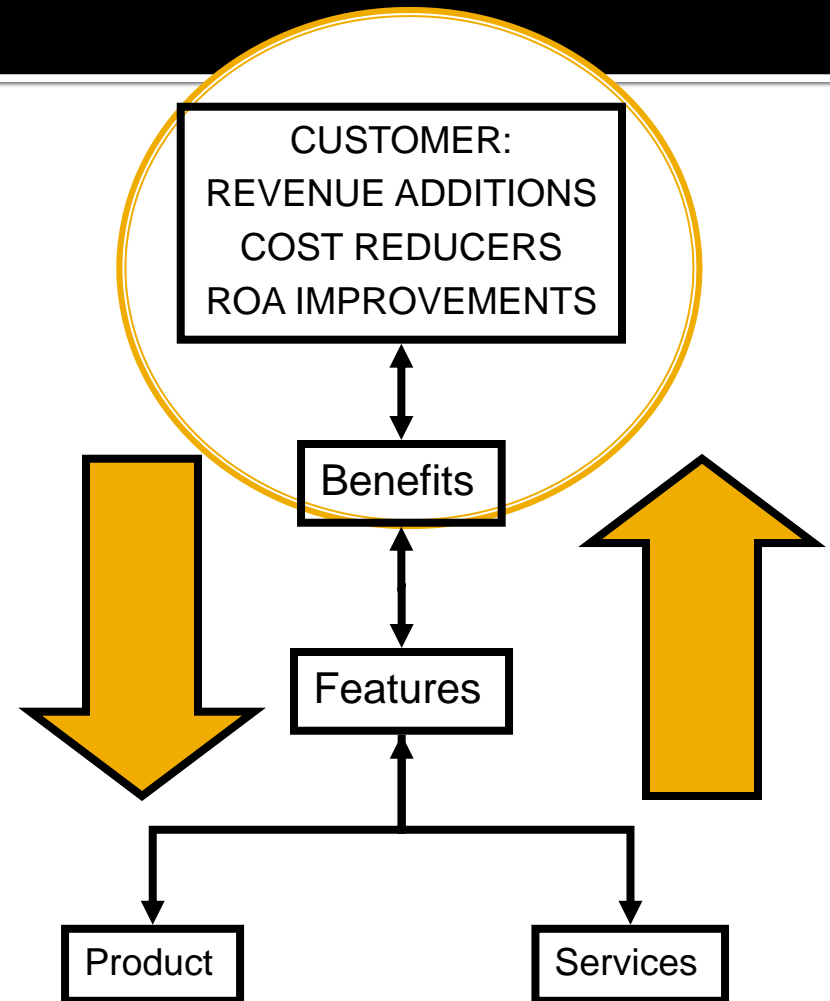
1. Understand Value, Deliver Value

- Understand what customers value
 - Revenue Addition
 - Cost Reduction
 - ROA
 - EVA
- Create value-driven products and services
- Sell value to customers



2. Get Pricing Right

- Understand what customers value
 - Revenue Addition
 - Cost Reduction
 - ROA
 - EVA
- Create value-driven products and services
- Sell value to customers
- Extract value-based pricing from customers



2. Get Pricing Right

Step 1: Recognize Types of Delivered Benefits

- Functionality
- Relationship
 - Process
- Talent/Labor/Knowledge
 - Risk
 - Market

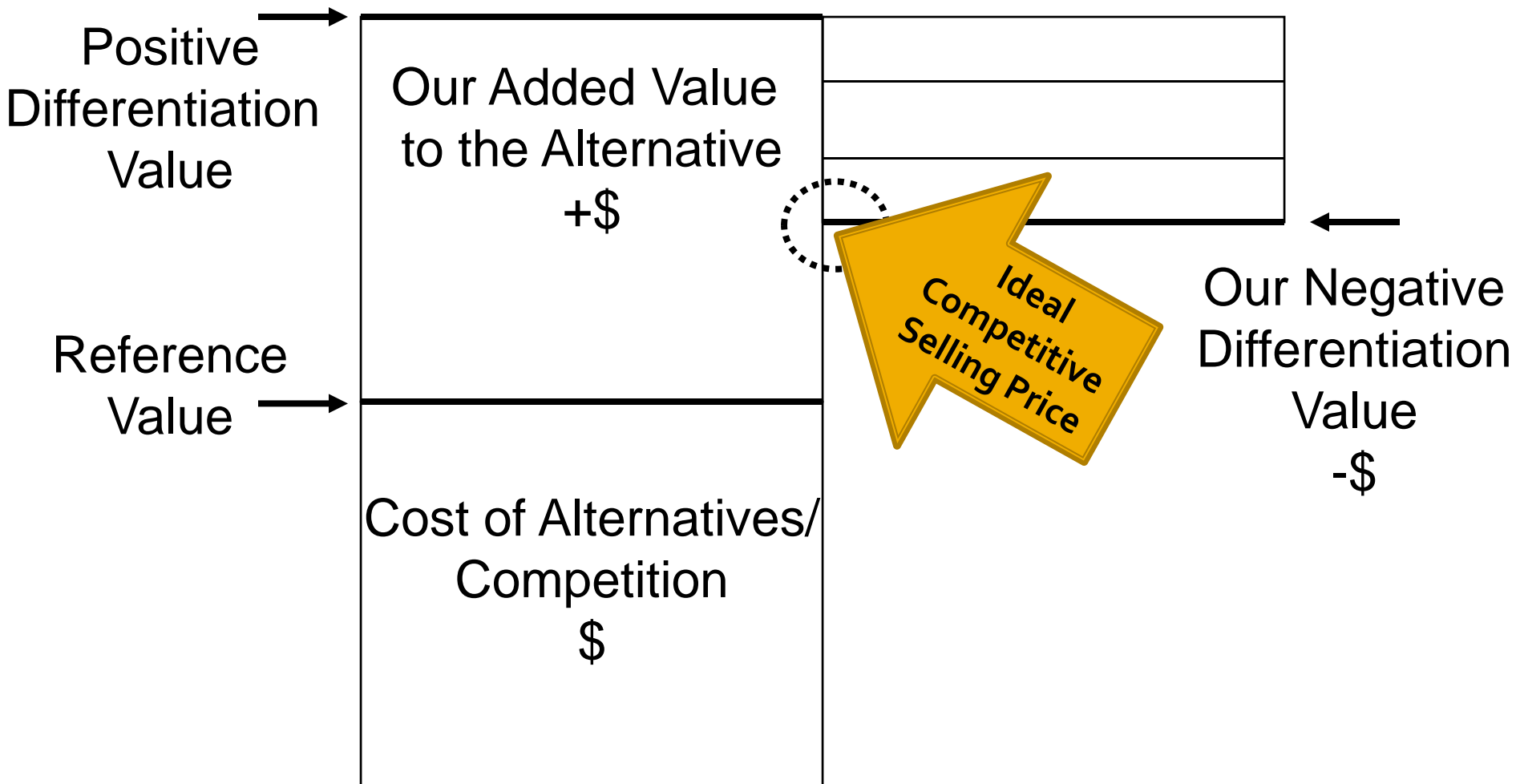
2. Get Pricing Right

Step 2: Convert Benefits to Monetary Value

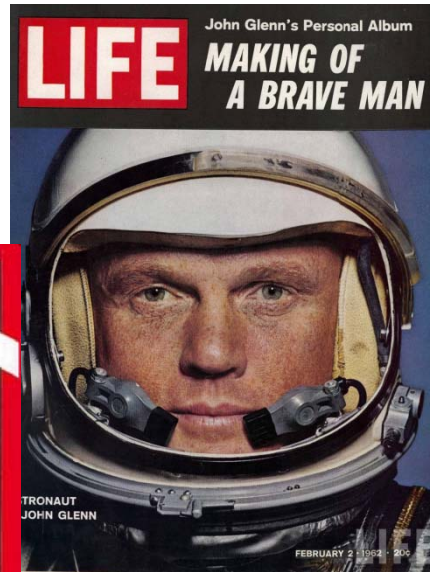
- Cost Reductions
- Revenue Additions
- ROA Improvements
- EVA Improvements
- Others

2. Get Pricing Right

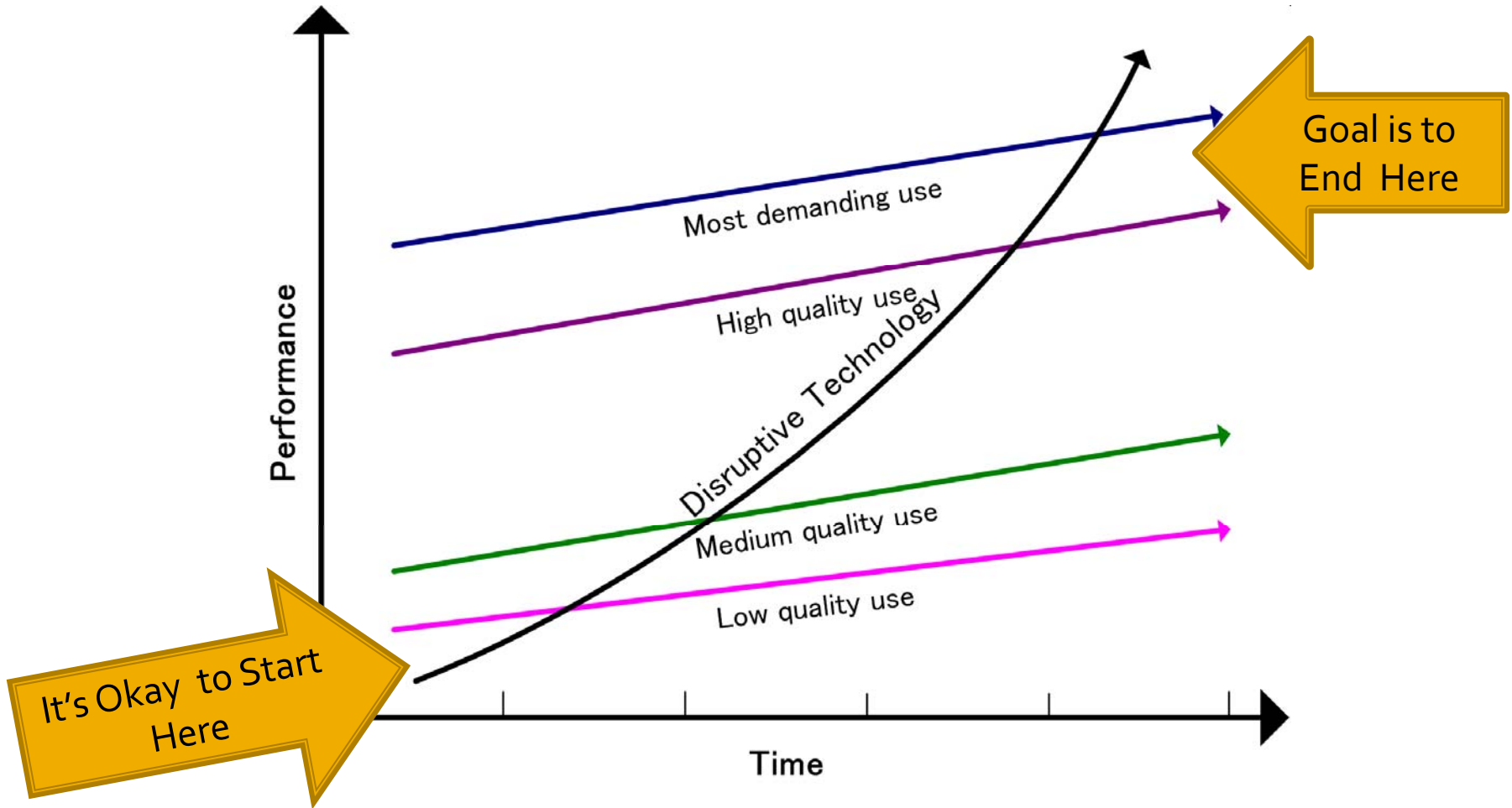
Step 3: Convert Monetary Value to Price



3. From Small Steps to a Giant Leap

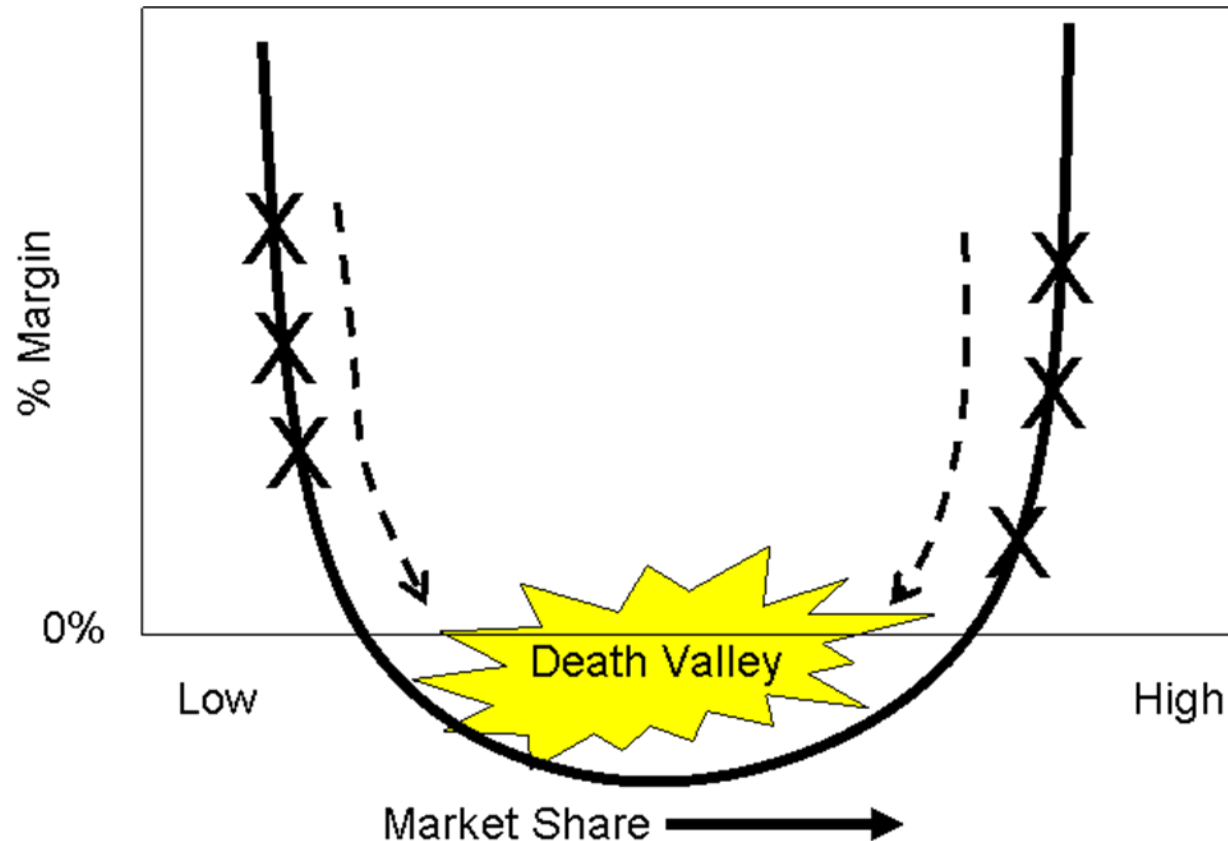


3. From Small Steps to a Giant Leap



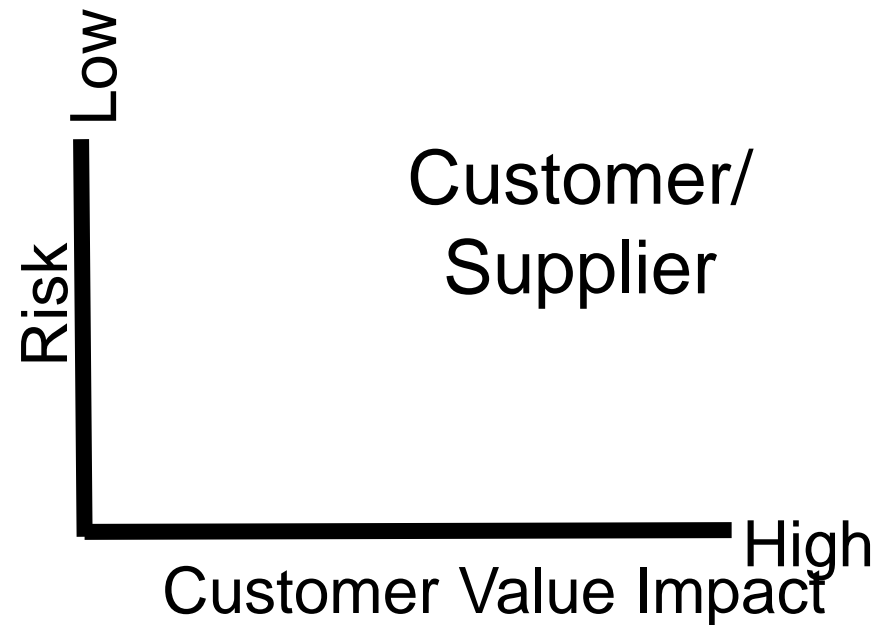
4. Pick Davids, not Goliaths

- Customers
 - Pick first customers who are closer to death valley
 - Others don't have reasons to change habits
- Competition
 - Don't wake up 800 pound gorillas from their slumber

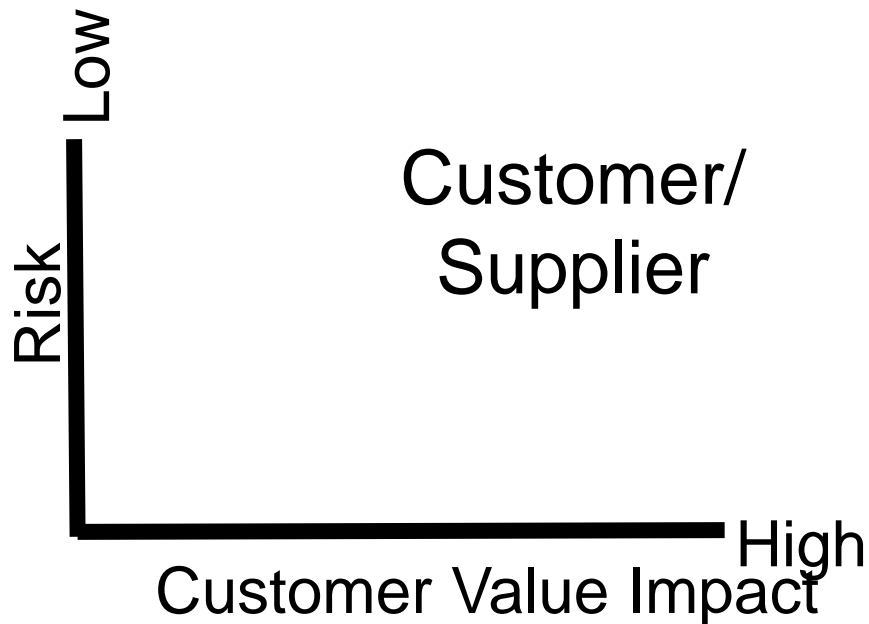


5. Include All Major Stakeholders in the Purchase Decision

- Four Major Buyers
 - End-Users
 - Technical Buyers
 - Economic Buyers
 - Management



Five Simple Rules for Making Money in E&P



1. Understand & Deliver Value
2. Get Pricing Right
3. Small Step to Giant Leap
4. Pick Davids, Not Goliaths
5. Include All Major Stakeholders

Thank You!

Pradeep Anand, Seeta Resources

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