



Written by: David Johnson (VP Research & Innovation)



EXPLORE ENTREPRENEURSHIP



WHERE DO ENTREPRENEURS GET THEIR IDEAS?

I'm sure we've all experienced being in the middle of a group discussion when someone (perhaps you) has said, "I've got a million dollar idea..." Have you ever stopped to wonder how this happens? Or how we could foster more of these ideas? Henry Ford was quoted as saying, "I invented nothing new. I simply assembled the discoveries of other men behind whom were centuries of work...Progress happens when all the factors that make for it are

ready and then it is inevitable." Isaac Newton pointed out a similar concept when he said that he succeeded by, "Standing on the shoulders of giants."

Innovation is the act of seeing an opportunity buried in the pain and drudgery of the everyday. Applied to our industry, we look at a process, a standard practice, a routine and we identify a better way, a faster way, a simpler way, a safer way.

One such innovator, Petrolink founder Jon Curtis, has followed a pattern of looking for common

practices and then offering a series of solutions to make significant and useful improvement. Reporting on progress is a standard part of everyday business activity. By collecting reports, adding security and performing data management processes, they introduced an enhanced workflow based on the client's need to share information. Their clients now have a safe way to share information outside of their corporate structures and extend the concept of their "team" to include partners, service and solutions providers. By following these types of examples we see a pattern used by Entrepreneurs: Improve the common place by making a solution faster, more consistent, more open or more accessible.

By examining this pattern of improvement we can identify how entrepreneurs apply these principles to the oil and gas industry..

ARE ALL IDEAS GOOD IDEAS?

Eight out of ten starting businesses will fail*. To understand why this happens, let's first consider the value of a solution. The idea itself is worthless, only an implementation that brings benefit has value. Therefore the value of a solution is measured by the benefit it brings to the processes and/or users that take advantage of the solution.

Entrepreneurs also need something more than an idea and a plan, they need tenacity. Shikhar Ghosh, senior lecturer of Business Administration at Harvard Business School, was interviewed for an article in the Harvard Business Journal. Ghosh made an interesting statement. He said that a baseball player with a .350 average is considered to be a success, even though he has a .650 failure rate. If an entrepreneur decides to stop too early, especially when they are stuck in the proof-of-concept stage, they may stop before getting to the fun part - the 35% success!

If you examine a successful startup company, what you will find is

months and years of continual work, late hours, endless modifications and countless pizza boxes and soda bottles for midnight snacks.

WHAT ARE THE PITFALLS AWAITING AN ENTREPRENEUR?

Many studies have been done by management schools and training centers and the variety of reasons for failure are as numerous as the studies themselves. But one interesting challenge is noted by several studies, and seems to ring true for the entrepreneurs in the O&G industry - to succeed they MUST be flexible. Being adaptable is an important trait that will allow

alike.

WHERE DO WE LOOK FOR ENTREPRENEURIAL SPIRIT IN THE O&G INDUSTRY?

It is easy to look in the past and see the glory days of innovation in our industry when new tools, new services, and new processes appeared every day. Through time, they were replaced by a slightly better process or practice. Some might argue that the industry today is so engineered there is little room for innovation and improvement.

Our industry is changing and with change comes resistance and



a successful entrepreneur to lead with a good idea and evolve it into a brilliant solution - Sometimes dramatically changing the idea in the process.

Being flexible requires sometimes taking a risk on reinvention. As real-time data became more accessible, Petrolink rethought the role of report data. The tentatively introduced real-time data collection, transmission, visualization and analytics based on open standards. This transformed their company into a critical part of the everyday workflows of many operators and service companies

opportunity. Maybe we are on the verge of even more amazing innovation. Maybe the level of data, knowledge, computing power, and experts are pushing us toward the cusp of change that will again revolutionize the way we pursue hydrocarbons. What history has shown us is that those who are willing to try are tomorrow's innovators.

Since we started with a quote from Henry Ford, it seems appropriate to end with one, he commented on innovation by saying, "If I had asked people what they wanted, they would have said faster horses."