

James Parish

Executive VP, performance solutions group

RWD Technologies - Caribbean, Central America, Colombia, Regional

Friday, October 10, 2008

Increasing competition and more stringent regulatory environments, especially in the energy sector, are forcing organizations to implement methodologies and processes to increase worker productivity and product quality.

International business solutions firm RWD Technologies, which recently opened an office in Bogotá to target Central and South America, is one company helping organizations improve these areas.

BNamericas interviewed James Parish, executive VP of the company's performance solutions group, to shed light on RWD's plans for the region.

BNamericas: What factors prompted RWD to open an office in Bogotá?

Parish: One of the driving factors was our history working with [Colombia's state oil company] Ecopetrol on some projects for 1-1.5 years. We saw the opportunity for more projects with Ecopetrol and also the opportunity in Colombia and South America as a whole for the potential growth of business with the kinds of services we provide to help companies boost their performance and profitability.

So the market looked very good. We had some immediate projects. We were committed to developing and training local talent to provide services to our customers in the area, and projects with Ecopetrol were large enough to allow us to do that. We decided that the opportunity for business was good in South America, driven by Colombia. We realized we needed an office here in Bogotá staffed with local personnel who we could train in developing and delivering RWD services for local customers.

BNamericas: Was Colombia RWD's first entry into Latin America?

Parish: We had done work in Mexico over the last couple of years with state oil company Pemex. We've also had some serious discussions in Ecuador with [state oil company] Petroecuador. We've also done some projects for companies in Venezuela.

BNamericas: How does RWD view the wave of nationalism that has swept through the region, in particular hydrocarbons-rich countries such as Bolivia, Ecuador and Venezuela, in terms of doing business?

Parish: That's a very good question because even in the countries I mentioned there are varying degrees of risk from one extreme to another so we have to be very careful with the projects.

But what we're about as a company is improving human performance: the performance of people within organizations. So what we do is develop strong relationships with people within the organization that we're going to deal with so we get a good

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understanding, a trusted relationship, with our clients.

We also deal with local partners who help us in terms of sales or with administrative support so that the risk is less on us being an outside company coming into a country versus a company that already exists in that country.

BNamericas: RWD mentioned it plans to target Central and South America. Do these plans also envision the Caribbean?

Parish: Yes, it would be included. We have done some business in that area before from our Houston office, but under our direction for South and Central America the Caribbean nations would tend to fall into this geographic area as we mature the office and grow.

BNamericas: Has RWD targeted any countries in Central America and/or held talks with organizations in this sub-region?

Parish: We have not targeted or talked with anybody in Central America.

The strategy we had first was coming into the South American area. That is where the larger companies are and where we felt there was tremendous amounts of change going on within those companies either because they were expanding quite a bit and spending a lot of capital on new equipment and new processes or facing local laws and regulations on retirement policies and other such items that would require training of a lot of new people coming into their workforces.

The larger companies that fell within those categories were South American-based companies, primarily at this point Colombia, Ecuador and Venezuela. Now that doesn't rule out anybody else in the area, but at the same we can't be everywhere at once. The goal was to establish a foothold, develop the business, develop a strong core of people here in South America that understand our methodologies and processes and then begin to grow from that office over the next several years.

BNamericas: I understand RWD aims to provide oil and gas, refining and chemical companies with service-based consulting and solutions to help with regulatory compliance, performance and profitability among other areas. It appears this is a relatively new hydrocarbons sector support area versus traditional equipment and service providers in the upstream/downstream areas. If not a new area, it certainly seems like a niche market.

Parish: It's definitely a niche. We've been in business in the US working with the big oil companies up there - for example, ExxonMobil and Chevron - for about 14-15 years. We originated as a US-based company so we worked with the US oil companies as they were faced with the regulatory requirements that were driven by US government laws and by regulations on safety, environment and quality of life.

So in the US, it's not really been a new business area but one we've developed as a very strong niche. We work with all the major oil and gas companies in the US and a lot of our methodologies and systems are standard within those companies that I mentioned and others.

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The move out of the US was started about 4-5 years ago and it was really tied to US-based companies that went overseas. An example would be Chevron and ExxonMobil into Kazakhstan or Nigeria, where they would work with national companies as part-owner in operations. Two years ago, we decided to start working with the national oil companies outside of the US, the first one being Pemex. Since then, we've continued to move into the South American, into Colombia, Ecuador and Venezuela, where we believe there's a lot of potential.

It is a newer niche for the national oil companies in South America because I believe now most of them are looking to be globally versus regionally competitive. They are also becoming aware of best practices, operations reliability and the profitability that the larger, more global oil companies have achieved around the world. They're saying, OK, we've got to improve our operations, become more efficient, more quality conscious and be even more safety conscious if we want to have an oil operation in our country that matches the best in the world."

BNamericas: How are RWD's services received by companies? Are they skeptical? What are the most common questions/doubts?

Parish: Normally, they're not skeptical because the people we work with are in positions of authority and responsibility and, more and more, they're more traveled and familiar with what other companies in the world have done. They usually aren't skeptical because they realize there are some shortcomings in their own operation and they need to improve the competency of their workers to progress.

BNamericas: Could you quantify the type of returns an organization benefits from by incorporating RWD methodologies and processes?

Parish: We work to develop those measures on a company by company basis, and as you would expect, the measures need to be very specific because you're measuring the improvement of people over time. We have assessments that we've developed that measure the competencies of people: operators, maintenance personnel and, as such, in refineries or oil operations.

We've provided these assessments to hundreds of people over the years and from that we've created a model of the average competency of the average worker who's been in a position for about 10 years. That competency is actually quite low based on the standards and definitions that we've developed.

Our commitment to our clients is that we will increase people's competency on this competency curve from the level that we measure significantly to a much more desirable level. This will help them ensure their employees are independent, know how to troubleshoot the operations, have an understanding of the processes so they can optimize the productivity on a daily basis and can avoid environmental spills and safety problems.

All of these improvements turn into money based on the previous record of that organization. For example, if there's an organization that has an environmental incident every month and they follow our processes and it goes to one a year, then that's 11 incidents eliminated times the average cost of an incident. What we've found is that over time, operations at refineries are very sophisticated, but in the end, accountability

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and performance always comes down to the people running operations.

About the company

Founded in 1988, RWD develops, implements and supports services in the areas of performance solutions, enterprise learning and applied technologies.

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