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REWARDING AND REDUCING RISK: HARNESSING THE POTENTIAL OF ENTREPRENEURS IN THE OIL & GAS INDUSTRY

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Abstract

This Paper examines the financial and industry mindset barriers which exist at either end of the research and development (R&D) process for entrepreneurial businesses commercialising new technology for the Oil & Gas services (O&G) sector.

It examines the core business skills entrepreneurs require to secure adoption of their technology in a competitive market and whether respondents felt they possessed these skills – particularly the 'human' factor; industry contacts and relationships, communication skills and product marketing.

Using a research model developed by Professor Shailendra Vyakarnam, Director Cambridge Centre for Entrepreneurial Learning, the report examines the industry and compares the funding climate to comparative sectors where entrepreneurial innovation is crucial in order to build a valuable business which will ultimately attract potential acquirers of the company or its technology.

Background

Numerous factors have led to the current worldwide situation where demand for hydrocarbons continues to increase and prices are higher than ever.

The planet's prevailing political climate, war, the economic revolution in the Far East, geography, geology, and the need to extract reserves from increasingly challenging environments – all have contributed to the end of 'easy oil' and have ushered in the era of 'hard oil'.

Wherever the debate on global warming, energy consumption and renewable sources of power eventually leads us, the fact remains that there are major reserves of oil in existing fields which current technology cannot extract or even reach and current high prices mean that previously uneconomic O&G projects, such as deep water or heavy oil sand sites, are now viable.

The need for technology innovation has never been greater; unprecedented demand for O&G services operators, a skills deficit, ageing demographic and ageing infrastructure are all contributing to an increased demand for effective new technologies.

Against this backdrop there are significant opportunities for entrepreneurs with the right skills mix to develop and bring to market innovative technologies.