

A Great Milestone as Schlumberger Celebrates 80 years in Malaysia



It's tough times for the oil and gas industry – and how does the world's largest oilfield services company, a firm with 105,000 people, over 140 nationalities working in 85 countries and \$48.5 billion in revenue in 2014, deal with the challenge?

Answer: the company believes that the service industry can respond to challenges of working differently in four distinct ways.

First is by increasing technology innovation. Today, service industry R&E investments are focused on evolutionary products that not only do what is required, but at a better and lower cost.

The second driver is reliability where a new approach to product development, job planning and design as well as job execution was initiated by the company six years ago.

Third is efficiency by leveraging scale in both field operations and back office systems. In this context the opening of Schlumberger's new operational support centre for oilfield assets reliability and efficiency in Port Klang is a major milestone in the company's transformation and demonstrates Schlumberger's commitment to Malaysia.

Last is integration. Integrating services, sharing resources and deploying people more efficiently can yield performance gains. Just as importantly, integrating technologies adds significant value.

ASEAN, A FAST GROWING REGION

Malaysia's land lay lush and fertile amidst deep, rich veins of natural oil and gas. Such lucky conditions drew Schlumberger to the country's shores eighty years ago (a mere eight years after its formation in France). It was in Malaysia that Schlumberger engineers ran the first-ever electric log in an oil well in Miri, Sarawak, which marked the beginning of an uninterrupted service to the oil and gas industry, not just in Malaysia but the entire Asia-Pacific region. Schlumberger's long-term and unwavering belief in its future is centered on the premise that oil and gas will continue to be a cornerstone resource for the world's energy needs.

Where growth is concerned, it doesn't get better than ASEAN, a political and economic organisation of ten Southeast Asian countries. As other economic regions around the world like the BRIC (Brazil, Russia, India and China) nations falter, global investors are increasingly turning their attentions to regions like ASEAN. As McKinsey notes, if ASEAN were a single entity, it would rank as the eight-largest economy in the world, just behind the U.S, China, Japan, Germany, France, UK and India.

ExxonMobil estimates, Asia's share of global energy consumption will rise from 38% in 2010 to 45% by 2040, making the region not just an influential producer, but an important consumer as well. In fact, the Economist Intelligence Unit (EIU) forecasts that alongside energy consumption, industrial demand for oil and gas will also grow, as Asia's rising wealth fuels demand for manufactured goods – evidence of which is already apparent, in terms of the huge retail and consumption trend lines.

KUALA LUMPUR: A CITY FOR ASEAN'S BRIGHT FUTURE

Malaysia's capital Kuala Lumpur (KL) - where Schlumberger has a firmly established presence is blessed with an excellent location in relation to the rest of ASEAN. With a matured and intricate network of airports, roads, railways, highways and ports, KL is a key node in ASEAN's bustling markets.

Strategic geography and world-class infrastructure aside, multitude of other plus factors sat in KL's armory, tipping the decision in its favour such as cost competitiveness, talent availability, political stability, client proximity, infrastructure preparedness and a mature



legal and regulatory framework. Schlumberger saw that among the many Asian cities on offer, KL, one of its most-established locales, continued to offer the best proposition. And so, five years ago, Schlumberger began the first of what would eventually be five new, major investments in Malaysia.

In 2010, Schlumberger opened its Asia-Pacific headquarters in Bandar Utama, Petaling Jaya. Enamoured by the favourable conditions enjoyed, the company established its financial hub for the entire Eastern Hemisphere that very same year. Schlumberger then opened the WesternGeco Penang Product Centre in 2011, dedicated to the manufacturing and support of state-of-the-art marine and land seismic equipment. Schlumberger took several steps further 4 years later with the inauguration of two new regional hubs and a centre for reliability and efficiency launched in May. Other set-ups include Schlumberger's procurement service centre and its human resource hub, both located in Bandar Utama.

These developments since 2010 not only gave Schlumberger precious operational advantages but they also made KL one of the company's most important operations support centres. Today, Schlumberger's KL operations are supported by the largest shared services hub in the company.

WORLD-CLASS TALENT – THE X FACTOR

As one of Schlumberger's three key global values, talent is the most important element of its business – the X-factor it seeks in all the market it operates worldwide. In support of the business in the region, the number of Schlumberger employees in Malaysia has grown from about 1,000 in 2009 to more than 3,300 employees today.

For a company which relies on advanced technical and engineering expertise, Malaysia has been a key supplier of valuable human capital. Today, the skills and technology sharing continues apace: 70% of Schlumberger's workforce in KL are locals. At Schlumberger's Port Klang-based operational support centre, the firm aims to employ at least 60% of local skilled technicians to man operations by end-2015.

MOVING FORWARD

Schlumberger adds that its presence in Malaysia would not have been possible without the valuable role played by the country's government agencies. Ultimately, Schlumberger's aims to do more and its successful expansion in faraway ASEAN will be attributed to a confluence of key factors such as market dynamics, circumstance and ecosystem support, and beyond doubt, customer, talent and valuable support by the local government.

KL's crucial role in Schlumberger's operations

- Schlumberger launched its global business hub in KL in May 2015, covering key transactional support functions of procurement, human resources and finance in three continents
- KL-based support operation ties in with Schlumberger's global transformation road map, which is aimed at leveraging its global footprint and scale to drive international-class efficiency in transactional functionalities
- Servicing 80 countries, Schlumberger's KL centre is one of only four highly organised, multifunctional shared services and outsourcing centres worldwide driving service quality, reducing transaction costs and generating additional business value
- KL's role didn't happen overnight. It began with finance (comprising treasury, accounting and reporting) and then added procurement and human resources, after their success and viability were proven
- KL handles procurement and HR for Asia, Middle East, Europe and Africa — some of the most important energy producing regions in the world
- Just 18 months since commencement, KL is Schlumberger's largest shared services hub in the group
- The KL hub has 1,000 employees, of which 70% are Malaysians. It occupies an MSC-compliant facility of 135,000 sq ft over five floors at Petaling Jaya
- The best part of the job? Exciting opportunities for cross-domain knowledge, continuous upskilling and access to Schlumberger's global business.



State-of-the-art centre

Located in Port Klang Free Zone and opened in May 2015, the Schlumberger Asia Center for Reliability and Efficiency is dedicated to advanced maintenance and servicing of oil and gas technologies for Asia-Pacific.

The 200,000 sq ft state-of-the-art centre was designed to minimise environmental footprint, earning it a Leadership in Energy and Environmental Design certification from the US Green Building Council.

It will also play a central role in Schlumberger's roll-out of new technologies and systems in Asia.



Beyond the oilfield

A favoured outreach theme at Schlumberger is education. As a knowledge-based company where people are the most important resource, education is highly valued. Through local initiatives, science, health and safety education is encouraged among the young.

The Schlumberger Excellence in Educational Development (SEED) programme has reached hundreds of schoolchildren in Malaysia since 2005.

Schlumberger employees do reading sessions while scientists spend a week at a time at selected schools teaching students about the water cycle and pollution.

The schools have also received computer hardware and connectivity expenses for access to the internet. Students in SEED also take part in workshops and other events where they can share their projects and ideas with Schlumberger specialists.



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