

INTEROP

NEW YORK CITY
SEPT 30 - OCT 4, 2013 | EXPO: OCT 2-3

IT Leads, Business Succeeds

Save an Extra \$200
Priority Code: MPIWK

REGISTER NOW

SPONSORED BY:



MOBILE

BIG DATA REPUBLIC

Transform Your Business With Data

ABOUT US REGISTER LOGIN

HOME BLOGGERS MESSAGES POLLS WEBINARS RESOURCES VIDEOS | STRATEGY ANALYTICS TECHNOLOGY FB TW LI G+ RSS

FINANCIAL SERVICES HEALTHCARE GOVERNMENT EDUCATION RETAIL

BIG DATA ANALYTICS

How Energy Companies Are Missing Big Data Opportunities



John Edwards, Technology Journalist & Author
10/8/2013
Comment
6 comments

Login
50% 50%

Like 0 Tweet 7 Share 5 +1 1

Oil and gas companies need data, particularly big data, to reach critical strategic decisions. Yet, a report issued by Molten Group, a global energy research firm, claims that most giant energy firms are failing to recognize the full value of big data and are neglecting to manage it as a useful asset.

The study finds that while investment in all types of data is high at big oil and gas firms, data management remains a low priority. That's unfortunate, since the rewards for companies that manage big data effectively are great, including achieving the highest possible accuracy in the all-important Reserves Replacement Ratio.

Billions at stake

So-called "supermajor" oil and gas companies invest between \$1 billion and \$3 billion per annum on data acquisition, the study reports. But for all of the money the supermajors spend collecting data, investment in data maintenance is comparably insignificant -- less than 1 percent of the acquisition cost -- since industry executives do not view data as an asset in the same class as other means of production.

As big energy firms continue neglecting their big data, the entire oil and gas sector is facing increasing pressure to make quick, effective decisions in order to maintain production momentum and high performance levels. While the supermajors are becoming highly dependent on many different types of data to support critical decisions, the need to manage big data as a valuable asset is still not widely accepted among supermajor executives.

As technology drives data growth at an exponential rate, leading oil and gas companies must be ready to collect and manage big data alongside existing pools of information, the study observes. With Final Investment Decisions (FIDs) -- the determinations that advance projects into production -- increasingly leaning on critical data and high-level metrics, it is vital that the data that underpins these decisions is well maintained, the report states.

Recommendations

The Molten study suggests four ways that the supermajors can get the big data payback they need:

1. Create a data environment in which the full potential of big data can be harnessed. For many companies, this will mean formalizing data governance and adopting better data management processes and organizational capabilities ahead of scaling up for the increased quantity of data.
2. Establish a uniform method of data valuation. By better understanding the value to a company, this important enabler will be better maintained, and as such, will retain greater value. Establishing data as a balance sheet item will help executive teams better understand and value the asset within their business and a uniform approach will allow external stakeholders to assess it.
3. Implement the concept of data "as an asset," and the consequences will be a valuable asset that is carefully managed.
4. Enhance the accuracy and standing of the RRR, so that it can improve internal decision-making and external evaluation. This can be achieved by adopting a more robust approach to data management.

MORE BLOGS FROM JOHN EDWARDS

Confront 4 Key Big Data Storage Challenges
4 comments

Developing a practical storage strategy is essential to long-term big data success.

How Big Data Can Support Workforce Optimization
22 comments

Analytics allows businesses to scrutinize real-time employee data.

Boosting Fraud Detection Accuracy With Big Data
5 comments

Financial firms turn to big data tools to root out fraudsters.

Big Data Targets Alzheimer's Disease
9 comments

Researchers comb data to find possible causes and develop treatment paths.

More from John Edwards



FLASH POLL

In which vertical market do you work?

- Automotive
- Banking
- Consumer
- Education
- Energy
- Engineering
- Financial services
- Food and beverage
- Government
- Healthcare
- Insurance
- Manufacturing
- Media
- Real estate
- Religion
- Retail
- Technology
- Telecommunications

Related posts:

- Needed: Big Data Expertise for US Utilities
- Small Steps in Using Big Data in the Smart Home
- Gamifying Energy Use

Email This Print Comment

COMMENTS

Newest First | Oldest First | Threaded View



Saul Sherry, User Rank: Blogger
10/10/2013 | 3:13:24 AM

Re: Data Overload

Funny but it seems this will start from the consumer end and work backwards @SharCo. The question is, with the rise of smart meters, are the providers equipped well enough to take advantage of the beand new data source?

Login



50% 50%

Reply | Post Message | Messages List | Start a Board



Saul Sherry, User Rank: Blogger
10/10/2013 | 3:12:20 AM

Re: Data Overload

It's a fascinating space for data to start with @legalcio... anything with a more physical presense will be. Just taking the unstructured data of image scans etc means we're not just looking at efficiencies through data, but entirely new pots of gold*

Login



50% 50%

*note, not real pots of gold

Reply | Post Message | Messages List | Start a Board



SharCo, User Rank: Petabyte Pathfinder
10/9/2013 | 9:39:55 AM

Re: Data Overload

@Netcrawl, yes, that's the challenge now, and I expect someone to rise to the occasion and provide these requirements. There's so many ways energy companies can benefit from big data; it's better they start sooner than later.

Login



50% 50%

Reply | Post Message | Messages List | Start a Board



legalcio, User Rank: Exabyte Executive
10/9/2013 | 9:17:59 AM

Re: Data Overload

Hit up Oil Drills: Big-Data Bats of the Deep http://www.saasintheenterprise.com/author.asp?section_id=3133&doc_id=268440&

Login



50% 50%

for how energy companies are starting to leverage Big Data and SaaS. To John's point, there is a lot more Big Data they are leaving on the table, but the adoption rate will increase if Big Data can be leveraged into more revenue. Follow the money and you'll find Big Data.

Reply | Post Message | Messages List | Start a Board



Saul Sherry, User Rank: Blogger
10/9/2013 | 2:18:56 AM

Re: Data Overload

@netcrawl - I wonder how big the market for threat data is at the moment, what with all the concern over fracking.

Login



50% 50%

Reply | Post Message | Messages List | Start a Board



netcrawl, User Rank: Petabyte Pathfinder
10/9/2013 | 12:00:42 AM

Data Overload

@John that was great! The challenge for today's oil exploration is to provide quick and fully automated access to structured and unstructured seismic data for geophysical interpretation; this enables geotechnical people to fully understand the context in which seismic surveys were conducted. this provide them a much better view of potential "target".

Login



50% 50%

Reply | Post Message | Messages List | Start a Board

Telecommunications

Transportation

Other

Submit

All Polls

DIGITAL AUDIO



Big Data Analytics Radio

Latest Archived Broadcast

Your Big Data Initiative Starts With a Great Team

The Big Data Conference and Nemertes Research have teamed up to provide expert advice on building a big data team and finding the right leader. Join us on Tuesday, Aug. 20.

Listen

Full schedule Archived shows Download to calendar

DATA VISUALIZATION SHOWCASE

Anatomy of a Visualization



This Tableau visualization of international debt demonstrates how simple visualizations can give great insight. Explore this data [here](#).

More Data Visualization Showcase

BDR IN YOUR INBOX

Enter email

SUBMIT

NOW FREE!

InformationWeek reports

THE ULTIMATE RESOURCE FOR IT, BY IT

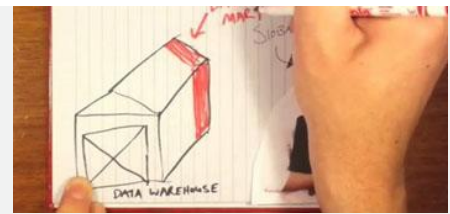
Unlimited access to comprehensive research and analysis reports

FEATURED VIDEO

Big Data Explained: What is a Data Mart?

1





Use this video to explain quickly to someone the difference between a data warehouse and a data mart.

[Watch This Video](#)

[More Video Blogs](#)

CAPTION CONTEST

Write a Caption, Win a Gift Card

[Click Here](#)




Latest Comment: "The Kaggle Factor set a new viewing record of nearly 23.7 viewers. With ..."


19

[Cartoon Archive](#)


FOLLOW US ON TWITTER

 **Edu•Tek Ltd.** @edutek_ltd 23m
Big Data in the Classroom
buff.ly/18AY4BV via
[@BigDataRepublic](#) #edtech

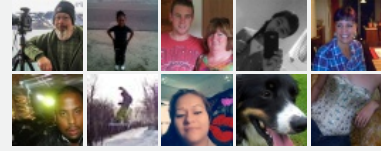
 **TIBCO Software** @TIBCO 49m
Is #BigData #analysis art or science?
Nick Evans of [@jaywingsays](#)
discusses in [@BigDataRepublic](#):
bit.ly/18SrqnV

 **Big Data Republic** @BigDataRepublic2h
RT [@data_nerd](#): Data Mining is about explaining the past and predicting the future. How can #analytics help you? dld.bz/aqgf8...
Retweeted by Adma Raia
Expand

LIKE US ON FACEBOOK

 **Big Data Republic**
Like You like this.

You and 3,257 others like Big Data Republic.



Facebook social plugin

ACCOLADES



Media Pioneer Award Winner

BIG DATA REPUBLIC

[ABOUT US](#) | [CONTACT US](#) | [HELP](#) | [REGISTER](#)
[TWITTER](#) | [FACEBOOK](#) | [LINKED IN](#) | [GOOGLE+](#) | [RSS](#)

in partnership with

InformationWeek



powered by



UBM TECH

OUR MARKETS: [Business Technology](#) | [Channel](#) | [Electronics](#) | [Game & App Development](#)

Working With Us: [Advertising Contacts](#) | [Event Calendar](#) | [Tech Marketing Solutions](#) | [Corporate Site](#) | [Contact Us / Feedback](#)

[Terms of Service](#) | [Privacy Statement](#) | [Copyright © 2013 UBM Tech, All rights reserved](#)