PIDX, A PARTIAL HISTORY, AND

 ?

BY DAVE WALLIS, SOMETIME E-COMMERCE DIRECTOR FOR WEATHERFORD AND FOUNDING BOARD MEMBER OF OFS PORTAL LLC,   **ALSO**

- PIDX Europe Exec Committee member
- PIDX Exec Committee member
- PIDX Exec Sub-committee member for 'Divorce from API'
- Chair of Catalogue and Classification WG
- Chair of Membership WG
- Chair of Global Business Practices WG
- Chair of Marketing WG

AT VARIOUS TIMES FROM 2000 ➡ 2015

FOR PIDX EUROPE CONFERENCE - JUNE 2017

IN THE BEGINNING, WAS THE WORD

- API was seen as the natural home and umbrella organizational infrastructure for any 'data exchange' standards in the Oil & Gas industry

- A task force that API formed in 1987 to study the subject . Work of a task force led to a new role API manager of electronic commerce and information technology and resulted in the creation of PIDX in 1988.

  - Oil majors were the driving force helping quickly set standards for data transmission

  - ~ 70% of the PIDX active members & Executive were evidently Operators and just a few major oilfield service companies

  - They had large working groups on subsets of work items with focus on data transmission, and used ANSI X12,

  - **It was a very US-centric organisation with a couple of major conferences in the USA per year, attended by in XS of 1000 delegates at their peak in the early 1990s**
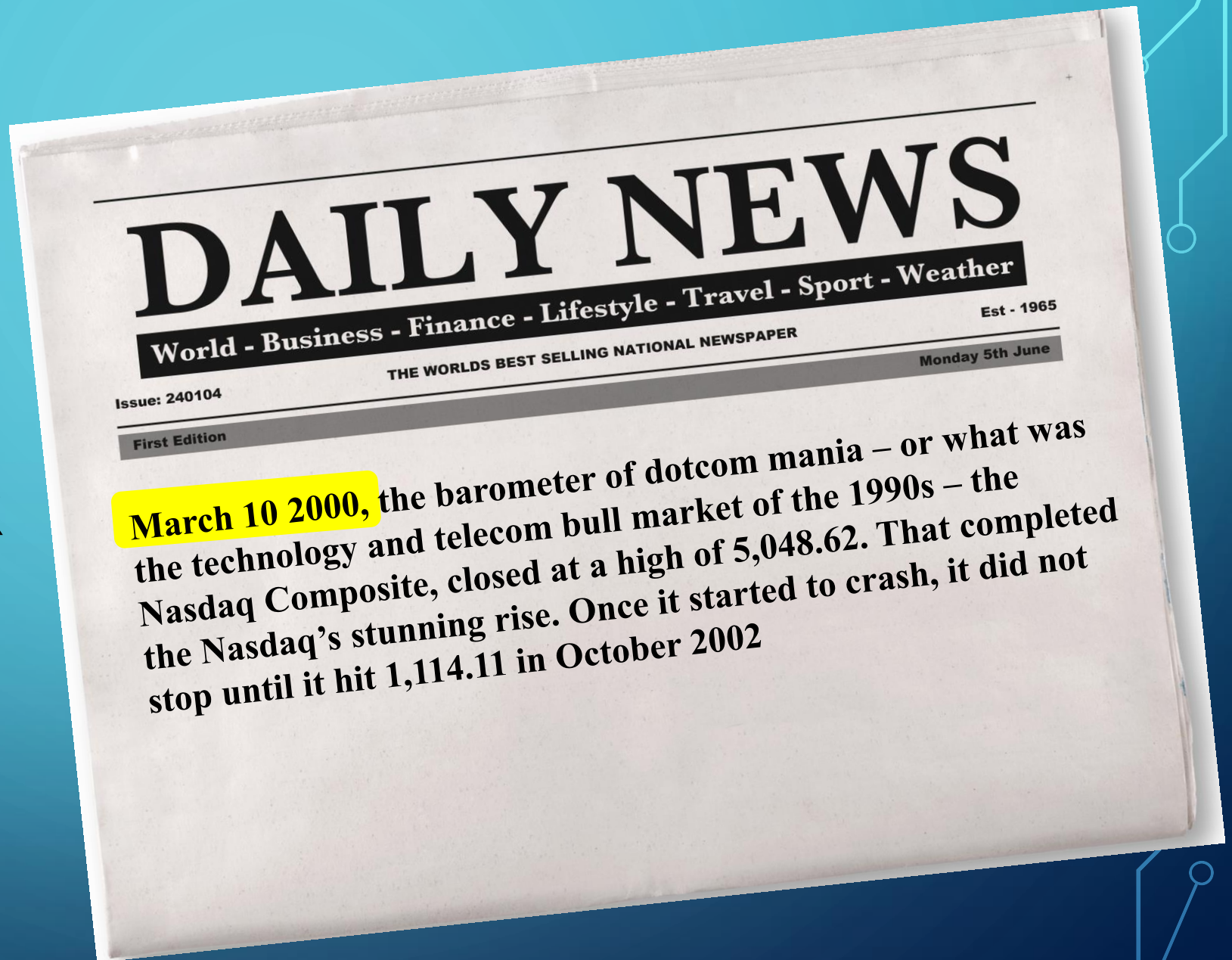
EDI – IN OUR INDUSTRY.

- Broad adoption for the larger companies, both Upstream and especially Downstream,

- With a significant limitation of the inability to have attachments to any document sent by EDI

- The VANs providing the connectivity were in a strong position and were therefore quite expensive

- In the later 1990s if we had looked over the wall at other industries, they had started to play a new game – XML, but

- **Our industry is typically conservative with new technologies...**

The Dot-Com Boom – Let's look at the timeline !

DAILY NEWS

World - Business - Finance - Lifestyle - Travel - Sport - Weather

Est - 1965

THE WORLDS BEST SELLING NATIONAL NEWSPAPER

Monday 5th June

Issue: 240104

First Edition

March 10 2000, the barometer of dotcom mania – or what was the technology and telecom bull market of the 1990s – the Nasdaq Composite, closed at a high of 5,048.62. That completed the Nasdaq's stunning rise. Once it started to crash, it did not stop until it hit 1,114.11 in October 2002

DAILY NEWS

World - Business - Finance - Lifestyle - Travel - Sport - Weather

THE WORLDS BEST SELLING NATIONAL NEWSPAPER

Est - 1965

Monday 5th June

Issue: 240104

First Edition

January 2000 - Chevron Corp. and Ariba, Inc. today announced an agreement to create Petrocosm Marketplace, the first global, independent internet marketplace to be owned by buyers and suppliers across the energy industry. Petrocosm Marketplace is planned to be an open internet marketplace and exchange that will go live in the second quarter, 2000

DAILY NEWS

World - Business - Finance - Lifestyle - Travel - Sport - Weather

THE WORLDS BEST SELLING NATIONAL NEWSPAPER

Est - 1965

Monday 5th June

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First Edition

HOUSTON, Aug. 7, 2000 - Trade-Ranger Inc., the global Internet marketplace launched by 14 energy and petrochemical companies, today announced the completion of several important milestones, including completion of regulatory procedures. Trade-Ranger is a neutral online platform for the exchange of energy industry goods and services providing support to all sectors of upstream, downstream and petrochemical operations.

We have taken the lead and are working with other buyers, sellers and exchanges to set global standards for e-catalog content and e-procurement to drive complexity and costs from our industry."

Trade-Ranger will begin conducting transactions in September 2000

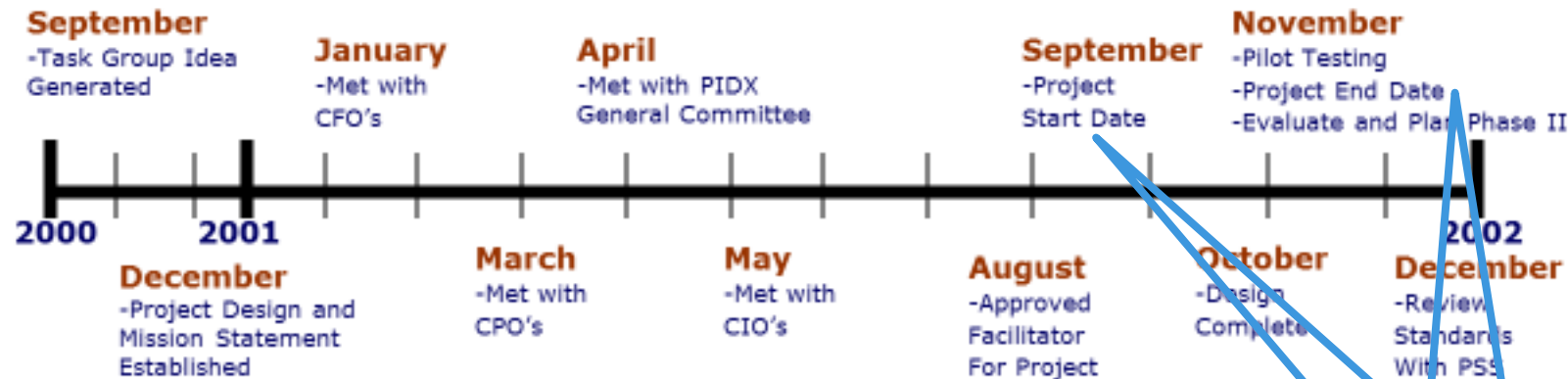# THE INDUSTRY RECOGNISES THE POTENTIAL OF XML, BUT RATHER LATE

- PIDX looks around and saw that CIDX – Chemical Industries Data Exchange had started developing an xml schema for business document interchange.

- CIDX agree to share / licence their work done to date to PIDX

- PIDX agree the need for a broad industry project team to look at, develop and test what was needed for Oil & Gas

PIDX'S 'COMPROSERV' PROJECT IS CONCEIVED

THE BEST BROAD-BASED INDUSTRY GROUP THAT PIDX SAW FROM 2000-2014 (WALLIS' OPINION !)

- Upstream Oilfield Suppliers
- Operators
- Consultants
- ERP Suppliers
- 'Exchanges'
- Standards Groups
- Downstream Oilfield Suppliers

CHANGING FOCUS OF O&G STANDARDS DEVELOPMENT

- The larger marketplaces or exchanges were owned or heavily influenced by Operators

- The Exchanges had revenue models which didn't match the PIDX ideals of open standards and dragged their feet after COMPROSERV,

- To gain some wins from the efforts already put into PIDX, focus remained on getting a small subset of business transaction documents & processes launched under PIDX 1.0.

- It is my perception that the majority of the industry uses 2 or 3 of the 10-12 documents originally created,

- Eastern Hemisphere penetration of just e-Invoicing is still believed to be minimal and S. America is only starting due to government mandates

TAXONOMY & CLASSIFICATION

- UNSPSC thought PIDX worthy to rework their Segment 71 & 20 classification

- For my time as C&C Work Group chair I felt I was pushing desert sand uphill.

- Every company had their own product structure, in a recent M&A or SAP upgrade !.

- I can already hear a voice saying 'all ours are wrapped within a service'…

- Yes, PIDX agree it is not like your company categorising when you only make widgets, but…

- One major exception I saw worth mentioning, when they merged - they reviewed the market and picked PIDX, well done.

ConocoPhillips

- API is based in Washington DC

- PIDX was eager to expand adoption globally

- API supplied 0.2 FTE secretarial support, based in Washington DC.

- API were unhappy with the renegades in Houston, even considered shutting the PIDX committee down

- There is a 'Backstory', a new CEO arriving in API and Obama arriving into the White House

API FALL OUT OF LOVE WITH PIDX   2

- PIDX wanted the Global Promotion and Adoption of Non-Compulsory Open Standards and API didn't like using the word 'global'.

- API asked a sub committee of the PIDX Exec to review options for merging with another standards body.

- API asked PIDX to look at merging with - CIDX / OAGi / OASIS / PPDM / LEAP / Energistics / UNCEFACT to find a new home,

- A PIDX member offered to quickly create an independent not-for-profit legal entity to allow API to place all PIDX's soft and hard assets into, and create a truly independent organisation

- The divorce was finalised in May 2011

PIDX Inc. is launched on the 3rd May 2011

PRESS RELEASE

energy **API**

CONTACTS: Dave Wallis, PIDX Marketing Committee, US +1 (832) 681 7359 or UK +44 (0) 778 070 0762, _dwallis@ofs-ptdx.org_

Bill Bush, API Media Relations, 202-682-8065 _bushw@api.org_

PIDX INTERNATIONAL is established with a global mission

Houston, Texas, May 03, 2011 — A new independent, industry managed, non-profit standards body – known as 'PIDX, Inc. – has been established to replace API's Petroleum Industry Data Exchange (PIDX) Committee, which was created in 1987. The new non-profit will be committed to the development and maintenance of global eBusiness standards for the oil and natural gas industry.

Handout available

PIDX Inc. Board

Lynn Chou – CIO Downstream -Chevron
Cristina De Luca – VP Procurement R&M -BP
Charles Currie – VP eInitiatives-Schlumberger
Anup Sharma – CIO - GE Oil & Gas
William Le Sage – CEO - OFS Portal

PIDX Inc. Executive

President - Anthony Aming – BakerHughes
Past Chair – Dan Collins – Halliburton
Vice President – John Harvey – Oxy Inc
Chair of Intl Development – Terry Thomas – Schlumberger
Chair of Standards & Guidelines – Michael Lanier – SLB
Chair of Marketing – Dave Wallis – OFS Portal
At Large – Ann Rolison - Magellan Midstream Partners
At Large – Steve Green - Weatherford International
At Large – John Boardman – ACT Global Consulting

PIDX VOLUNTEERS GO TO THE ENDS OF THE EARTH TO SPREAD THE WORD, ON THEIR OWN COMPANY'S NICKEL !

EVOLUTION OF RELATED LOGOS

MILESTONE IN 2008

PIDX 20 Anniversary

BRIEFLY, A FEW OTHER NOTABLES

- Upstream and downstream parts of PIDX used to run quasi independently, a challenge during the divorce

- Over my time we must have made at least three attempts with special project teams to acquire adoption and usage metrics of our PIDX standards

- In 2006 at a PIDX conference in Houston someone suggested a project to harmonise the multitude of contractor HSE reporting formats into a single Excel and xml format.

- Turnover of Chief Execs, CEOs and Admin staff has been high

- Some of the PIDX Outreach Forums have had very poor traction internationally

- Up to 2015 very, very little membership growth - practically flat ??

WHAT DID I TAKE AWAY FROM MY TIME ASSOCIATED WITH PIDX

- Too small a core of activists in the membership

- Membership was effectively flat

- Nervous of embracing newer technologies

- Membership had a high focus on adoption volumes of core early standards

- A history of very variable quality in 'admin' support over my 15 years

- So I ask, does PIDX now have a good clear, agreed 3-5 year strategy plan for all aspects of the organisation, in more than a decade when I was involved it was never really clear ??

SO IF THIS PRESENTATION IS REPEATED IN 2022 WHAT WILL PIDX HAVE ACHIEVED, OR WHAT *SHOULD THEY* HAVE ACHIEVED
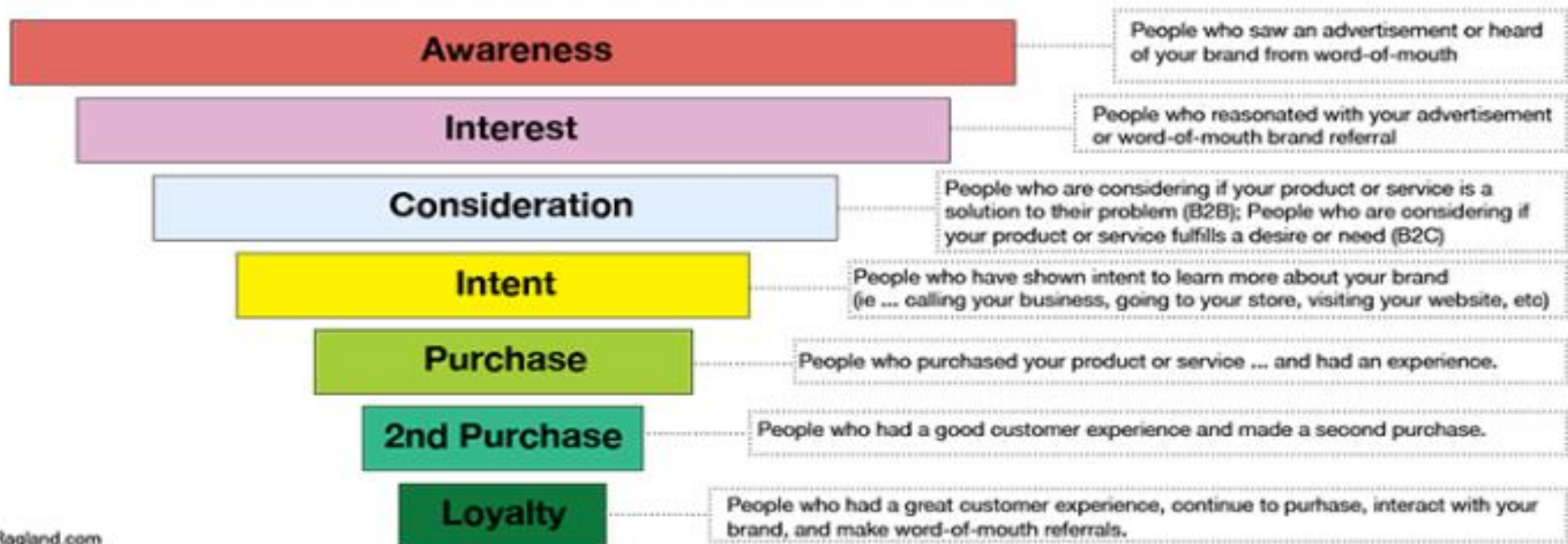
IMPROVE MEMBERSHIP BASE !

ROGER BHALLA
WAS GOING TO PRESENT,

Related to Membership

AND OFFERED THESE THOUGHTS, SEE HIM FOR MORE DETAIL

- Do we get to the right people that care about the message?

- Do we catch their attention with what they care about

- Does anyone reach consideration to join without first attending a conference or having personal outreach?

Awareness	People who saw an advertisement or heard of your brand from word-of-mouth
Interest	People who reasonated with your advertisement or word-of-mouth brand referral
Consideration	People who are considering if your product or service is a solution to their problem (B2B); People who are considering if your product or service fulfills a desire or need (B2C)
Intent	People who have shown intent to learn more about your brand (ie ... calling your business, going to your store, visiting your website, etc)
Purchase	People who purchased your product or service ... and had an experience.
2nd Purchase	People who had a good customer experience and made a second purchase.
Loyalty	People who had a great customer experience, continue to purhase, interact with your brand, and make word-of-mouth referrals.

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ROGER BHALLA'S

THOUGHTS, SEE HIM FOR MORE DETAIL

- How to overcome reasons people don't join despite perceived value
  - Cost/ROI
    - Illustrate the value of membership (over attendance)
    - Tiered memberships – <mark>include a "provisional membership" to PIDX as a value of joining an eBusiness hub</mark>
  - Time commitment
  - Belief that value opportunity can't be executed in their company
    - Case Studies on what is possible
    - Peer How-to support / Networking on common challenges
    - Highlight that some problems that are hard to address without cross-industry engagement (i.e. can only solve it together, with PIDX)
  - Company policy prohibits
    - Demonstrate ROI, and understand issue driving policy (ex. anti-trust)
  - Don't see the right network of peers/partners engaged
    - Get EPCs (others?) involved in PIDX
    - Find out who else should be engaged that isn't currently, from prospective partners and current members

FINALLY, ROGER BHALLA
THOUGHT

- New standards need to have support for members in implementation & value capture to encourage membership and retention.

- "Experts Corner" type Q&A forum for members helping members via PIDX site.

I remember some of Roger's points here being talked about MANY years ago.

Apart from a VERY small core of activists trying to do what they could, there is not much visible TO ME in the way of concrete results.

SHOULD PIDX BE LOOKING DEEPLY AT 'BLOCKCHAIN'
- CAN IT, SHOULD IT BE INVOLVED IN AT LEAST MONITORING IT ?

- Distributed ledger technology refers to technology, also known as blockchain, that was developed to underpin bitcoin. The technology is a form of shared ledger

- For payments, the clearing of payments, and the settling of transactions such as securities trades, it has the potential to cut out duplications and admin.

- Santander estimated in 2015 that blockchain could save up to $20 billion in infrastructure spending by 2022.

- There are a number of PoC's being launched already on BlockChain, both Logistics Management as well as eInvoice,

- **PIDX relies on xml today, so get involved, or miss the boat and slowly become less relevant !**

SHOULDN'T PIDX BE LOOKING AT 'BLOCKCHAIN'

- can you afford not to be ?

"It is blockchain... that can bring track and-trace, visibility and transparency to the next level."

Wolfgang Lehmacher
Head of Supply Chain and Transport Industries
World Economic Forum

Maersk @Maersk · May 24
Why does shipping need #blockchain?
A paperless #supplychain means easier #trade: weforum.org/agenda/2017/05... pic.twitter.com/xc2Xs2awNb

OTHER ITEMS WHICH SHOULD BE COMPLETED, OR LOOKED INTO (WALLIS' OPINIONS AFTER CANVASSING)

- **Field Ticket** – when was this first started ?   Shouldn't it be done by now ?

- **Supplier Pre-Qualification** – this looked a promising start in 2015

- Better **Catalogue Management** Processes

- Re-look at **Membership** fees / structure to encourage growth – look outside and see what others do.

- Engage more positively with the new breed of start-ups in the 'intermediary space'

FINALLY PIDX,

I am informed that API integration between private clouds is the way the industry hubs like Oildex and Hubwoo and Ariba are moving, they do not want XML business messages and prefer API integration,

so whatcha goin' to do about it ??