



EXECUTIVE PROFILE

Exclusive



Wood Group CEO Puts Core Values to Work

By **Jeff Share**, Editor

Bob Keiller, CEO of Wood Group, knows that merely speaking of an organization's core values is not even worth talking or writing about unless you put it into practice.

Even before he was named to head the global energy service company in November 2012 he has always made sure that any who works for him knows that THE core value in the energy industry starts with one word: safety. After all, if you're a real people person, what is more important than ensuring that your employees work in the safest environment possible?

The native Scotsman who still resides in Aberdeen with his family has worked in the oil and gas industry for 26 years, having graduated with a Master of Engineering degree from Heriot-Watt University. A chartered engineer, he has worked offshore in maintenance, operations and asset management for oil and gas operators.

Keiller has participated with several cross-industry organizations and projects such as chairman of the Offshore Contracting Association (OCA) and the cross-industry trade body Oil and Gas UK. He was a member of the UK cross-industry Step Change in

Safety Leadership Team and led the UK Helicopter Task Group formed in 2009 to accelerate safety improvements in air safety for which he received an award.

In 2007 he was named the Scottish Businessman of the Year and in 2009 was given the Scottish Offshore Achievement Award for his contributions to the oil and gas industry.

In this interview, Keiller defines his core values, talks about the restructuring and rebranding of Wood Group which was completed last year, and the creation of a company, Production Services Network (PSN) that he led by completing a \$280 million management buyout from Halliburton in 2006. PSN has subsequently made the *Sunday Times* 'Best Companies to Work For' list in 2008, 2009, 2010 and 2011. In 2011 PSN ranked third in the UK for employee engagement and involvement. PSN was also in the top 10 of UK companies for employee retention.

Following the sale of PSN to Wood Group which led to the restructuring, Keiller became CEO of Wood Group PSN in April 2011 and joined the board of John Wood Group PLC.

P&GJ: Where are you from and what led you to a career in the energy industry?

Keiller: I grew up in Jedburgh, Scotland, a small town near the border with England. My first business was selling newspapers; I started with one route, then bought others from competitors and hired my friends to work them. I grew the business until I was supplying the entire town and eventually sold the business to my cousin. The money from the sale helped fund my first year at university, where I earned a Master of Engineering degree.

My first professional position was with Hewlett-Packard, but I quickly realized it wasn't right for me: too much technology and not enough working with people. I joined BP on a graduate program and discovered my passion during four years working on- and offshore wearing a hard hat and coveralls.

P&GJ: What are some of the more challenging and interesting projects you've worked on?

Keiller: While I was head of KBR's global production services business I realized it didn't fit with the wider business. So I led a

management buyout, creating PSN. We raised over \$300 million and persuaded more than 6,000 employees, 100 customers and about 300 suppliers to join us on that adventure.

Fast forward five years to 2010 and the PSN business had grown to 9,000 people with operations in 21 countries. I knew Allister Langlands, who was then chief executive of Wood Group, and he approached me about a possible acquisition of PSN by Wood Group. The deal was closed in April 2011. As chief executive of the resulting Wood Group PSN division, I led the merger of PSN and Wood Group's production services businesses to create the global market leader in brownfield production services.

Combining teams that had been competitors can be challenging. A strong management team that drew from the complementary strengths of the businesses, a thoughtful integration plan, frequent communications and introduction of the core values helped to ease the process. It was a long way from selling papers in Jedburgh but the skills and values I learned as a youth provided an early foundation for my business successes.

P&GJ: Many people even in the industry are not very familiar with Wood Group. Do you feel it is necessary to raise its public and professional profile?

Keiller: Wood Group employs around 40,000 people and operates in 50 countries. We want to attract and retain the best people in the industry so it's very necessary for us to raise our public and professional profile. Our track record and our skills mean we can support every phase of customer projects from engineering design, through construction, procedure development, to operations and maintenance.

Wood Group continues to augment organic growth with acquisitions; we've averaged about four per year over the last 10 years or so and completed five more in 2014. My intention is to broaden and deepen the services we provide to clients through organic growth and acquisition. Wood Group was an attractive buyer when it acquired PSN four years ago because of its sound acquisition history. It's important that companies want to join Wood Group.

We have extended our U.S. shale service



offering with several acquisitions, including Elkhorn, a Wyoming-based provider of construction services; Meester's Welding, a Balkan shale fabricator; and Swaggart Brothers, a civil construction and fabrication business. We extended our North Sea services with the acquisition of Pyeroy (now Wood Group Industrial Services), which offers specialist coatings, and Intetech, a niche engineering consultancy for well integrity.

Newly acquired businesses like Cape Software, which provides simulation software for operator training; Sunstone projects, a Canadian pipeline engineering firm; and Norwegian engineering company, Agility Projects (now Wood Group Mustang Norway), strengthen our ability to provide clients with key products and services.

P&GJ: Why was it necessary for Wood Group to undergo such a restructuring and is it now complete?

Keiller: People often know only the part of Wood Group they worked with previously. Raising our profile helps our customers as well as us. As we talk with clients we often discover the greater Wood Group can provide them with a more complete solution and simplify their activities. Last year we re-branded the Group and our three business streams to help increase awareness and we are focusing on collaboration and competitiveness. Our balance sheet is strong, we have a good opex and capex balance, and I believe that we can be even better if we continue to increase collaboration across the Group.

P&GJ: What were some of the major changes instituted during the restructuring?

Keiller: Changing the culture across the Group from a collection of independent and sometimes competing businesses to one where we are all "in it together" takes time and a lot of effort.

P&GJ: When and why did you become interested in core values?

Keiller: I developed a passion for core values nine years ago when I created PSN because they help to define an organization. I set out to create a great culture and to attract and retain terrific staff and customers.

P&GJ: Why are core values so important to a company, and specifically, what core values do you have? Why is this so important to Wood Group?

Keiller: Wood Group's seven core values — Safety & Assurance, Relationships, Social Responsibility, People, Innovation, Financial

Responsibility, and Integrity — are at the heart of our business. They define who we are, how we work, what we believe in and what we stand for. These values guide how we act and how we expect to be treated, providing a sound basis for decisions. We are passionate about the safety of our people, our business depends on healthy relationships with our customers, we aim to make a positive difference to the communities where we operate, we recruit locally, we are ethical — we actively live our core values. I have hundreds of stories and examples that show how the values impact the decisions we make and the things we do.

Safety & Assurance is our top priority because lives depend on it. Last year we introduced our Global Life Saving Rules which focus on supporting and encouraging safe behaviors in the workplace. They raise awareness of the activities that are most likely to result in fatalities and simple actions that individuals can take to protect themselves and others.

P&GJ: Who was involved in developing these core values and how do you get the employees to accept them?

Keiller: Our employees were involved in the wording of our core values and have embraced them. We are a people company and I am passionate about good, effective two-way communication. Every week I send an email to all Wood Group employees, usually relating to one of our core values, and encourage them to respond. I personally reply to every employee email I receive. This can take many hours each week.

P&GJ: What is the most important effect an appropriate set of core values can have on a company?

Keiller: Establishing clear core values sets the standards that we expect: to work safely, ethically and responsibly. They're about making a difference to society, helping our customers, making our employees feel proud and generating a healthy return for our investors. Of course, the company also needs strong leadership and good management, plus sound processes

P&GJ: You said relationship-building is one of your core values. How does it affect your customers? Can you give an example?

Keiller: As service providers we're always trying to please our customers. A few years ago we entered into a maintenance support services contract with Caltex at its two Australian refineries. Caltex awarded Wood Group the contract with the belief that

we could transform their business to deliver improvements on site and drive changes to culture and behaviors that had existed at both refinery sites for many years.

This contract marked the first time Caltex had ever outsourced maintenance activity. We didn't want to convey the wrong message with a 'we-know-best' attitude, so by forming a strong relationship with Caltex and by taking the time to develop a deep understanding of their needs — up front — we were able to apply best practices and deliver a number of tangible maintenance improvements over the course of the contract.

Key to the improvements was ensuring a more robust structure around planning and scheduling, especially the maintenance execution plan, with a drive to ensure that all of the work in the plan was correctly prioritized and achievable. As such, we reduced our planned maintenance work and increased our critical planned maintenance compliance. This was a remarkable effort and it was our commitment to our core values that helped us to overcome challenges and knock down barriers for change.

P&GJ: What can pipeline owners and operators expect as a result of Wood Group's commitment to its core values?

Keiller: Our pipeline businesses — Wood Group Mustang and Wood Group Kenny — take our core values to heart and make every effort to ensure that all staff members embrace the values throughout the full execution of a project. Above all, they make personal and technical safety a priority in every aspect of their work, from design through construction management.

The development of relationships with our clients and the communities with which we come in contact are of the utmost importance and are never taken lightly. The major contributing factor to establishing of a long-lasting relationship is good, open, honest communication, freely given and received. We are always open to new ideas and continually keep ourselves abreast of the newest industry technology so we can continue to improve our design and execution efficiency.

We take a great deal of pride in the fact that many of our clients continue to provide us with new opportunities. These repeat clients return to us because they know we do everything possible to save them money in design, material procurement and advice on construction methodology. Our clients can expect us to communicate honestly, treat their money as if it were ours, operate with integrity and most importantly, keep safety in the forefront of everything we do. **PE&GJ**

