Presenting:

**Quest for World Class DA & DQ:**
**Sustaining Positive Change**
by Len Falsone

DAAG Conference 2017

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Quest for World Class DA & DQ: Sustaining Positive Change

DAAG, New Orleans LA. March 16-17, 2017

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PE, SPEC, SDP Fellow, North America Lead
Outline

Quest for World Class DA & DQ: Sustaining Positive Change

A Case Study: Shell’s Journey
- Some history that greatly impacts our culture
- Environmental Prompts, Key Changes that followed
- Examples of how we Sustain The Change (Coaching & Knowledge Transfer)
- Lessons that you may find useful

N.B.:
- Many DPs in Shell; one of our largest DA groups is called “Petroleum Economists” or “Economist”. I will use DA and Economists interchangeably.
- Economists interact with all groups and levels of RDS, and use input generated by “Energy Market Analysts”, where real (macro) economists sit.
Impacts our Culture: (Beliefs, Attitude, Behaviors, Practices):

- Documented General Business Principles, Analytical & Technical top to bottom, Outcomes Are Uncertain, Process Oriented, Value Driven, Project Mentality
- But no control of Prices, often drifts us to include a Production Focus

A seed was planted that could bear fruit...some tribes tried to cultivate it
Living by our principles

A commitment to contribute to sustainable development is in our Business Principles

“Long-term profitability is essential…”

“…balancing short- and long-term interests…”

“…integrating economic, environmental and social considerations into business decision-making…”

“…reduce the environmental impact of our operations, products and services…”

“…be good neighbours…manage the social impacts of our activities…enhance benefits to local communities…”

“…regular dialogue and engagement with our stakeholders are essential…”
# A Better Way – Evolution of DA & DQ at Shell

<table>
<thead>
<tr>
<th>Prompts - Ext</th>
<th>SPE Forum</th>
<th>DAAG!!!</th>
<th>SDP</th>
<th>Price Crash</th>
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</thead>
<tbody>
<tr>
<td>Prompts – Int (Behaviors Focus)</td>
<td>Commercial</td>
<td>Mission Critical</td>
<td>Big Rules</td>
<td>RDS Strategy Update</td>
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<tr>
<td>Phases</td>
<td></td>
<td>Raise our Game</td>
<td>World Class</td>
<td>ACT Globalized</td>
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<td></td>
<td></td>
<td>DAIP</td>
<td>DAIP 2</td>
<td>DQIP: DA for DQ</td>
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<tr>
<td>Key Changes (Practices-Actions Focus)</td>
<td></td>
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<tr>
<td>Find/Unite USA Tribes</td>
<td>Mission-Strategy (RDS) Linked</td>
<td>World Class aims w/ others</td>
<td>Board-level DQ review</td>
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<tr>
<td>Common Language &amp; Mindset</td>
<td>Decision Focus</td>
<td>DQ Re-fresh in RDS</td>
<td>Consultants serve globe</td>
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<tr>
<td>Clarify Mission</td>
<td>Minimums Raised</td>
<td>Reinforce desired behaviors</td>
<td>FI Experts serve globe</td>
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<tr>
<td>Triage to Coach “right skills”</td>
<td>New Tools &amp; Practices help</td>
<td>Improve Feedback Loops</td>
<td>Global MBA</td>
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<tr>
<td>Minimum Standards &amp; Competencies</td>
<td>Sponsor SDP membership</td>
<td>Upgrade (soft &amp; hard)</td>
<td>Capital Invest Committee</td>
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<tr>
<td>Feedback loops begin</td>
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<td>Assurance w/ teeth</td>
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## Success Indicators

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<tr>
<th>Absorb Can &amp; HO</th>
<th>Absorb S. Am.</th>
<th>Absorb N. Am. Holdouts</th>
<th>Global Org Approved</th>
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</thead>
<tbody>
<tr>
<td>Imitation Overseas</td>
<td>Create 2 new VP posts</td>
<td>CEO: Springboard for change</td>
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# Sustaining the Change: Knowledge Transfer & Coaching

## Structure/Collaboration

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<tr>
<th>2006 Unification: Find and Unite tribes of practitioners; clarify mission; Engage to rally the troops</th>
<th>Interlocked Leadership Teams joined at top (EDLT) while experimenting, sharing, and driving local efforts</th>
<th>Staff dedicated to improve capabilities early; Later Switch to DQ focus for clients/business</th>
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<tbody>
<tr>
<td>A single team for Economics Excellence; PE &amp; SME structure; single portal for KM;</td>
<td>Networks of colleagues develop fit for purpose tools &amp; practices; organized for easy access</td>
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## Practices & Tools

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<tr>
<th>Common Framing, Evaluation and Assurance processes early; ties to other Shell DP deliberately</th>
<th>Scorecards, Logs, Competitions to drive practices, share lessons, embed multiple feedback loops</th>
<th>RUB (2011 DAAG) as significant new tool practices to bring insight and clarity; 2017 globally required</th>
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<tbody>
<tr>
<td>CEO creates “Springboard for Change”; new groups, practices with focus on behaviors to drive DQ</td>
<td>Self-help tools enhance supervisor &amp; staff engage on soft/hard skills (e.g. IDP, SAT, eBRAT, 7 Threads)</td>
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Some Lessons Learned

- Know your Situation – culture, support, resources
- Balance Idealism & Realism, based on above
- Check the Environment & Adjust Course
- Change what you can
- Introduce bite-size pieces
- Drive behaviors as soon as possible
- Show the way, don’t just preach
- Coach, coach, change
- Engage all Levels; Share the Vision
- Explain the Incentives for different stakeholders
- Gain Influence, Gather Followers, Plant Seeds