

Getting to New Oil and Gas Opportunities First



Hussein Boffu

Getting to New Oil and Gas Opportunities First

Getting to New Oil and Gas Opportunities First

© 2019 Hussein Boffu

All rights reserved. No part of this book may be reproduced or transmitted in any form whatsoever, electronic, or mechanical, including photocopying, recording, or by any informational storage or retrieval system without prior written permission from the author.

Table of Contents

Introduction.....	1
Industry Outlook.....	2
Targeting the Best Business Prospects for submitting proposals for Work	4
Ten Competitive Marketing Strategies	6
Being the First.....	9
The Urgent Need of the Oil and Gas Companies Buyers	11
About the Author.	12
Acknowledgment	15
Final Notes	16

Introduction

In the highly competitive oil and gas sector, identifying opportunities quickly is imperative.

So, *Getting to New Oil and Gas Opportunities First* is a chance to evaluate market or new business opportunities. It is a chance to getting early leads into opportunities.

This eBook is an important planning tool for your future marketing and sales in the oil, gas and energy sector.

In this book, you will discover...

- **Industry Outlook:** This section summarizes the potential business opportunity growth or decline in terms of the general economy and industry projection.
- **Competitive Market Strategy:** It summarizes the business development and marketing plan that will separate your business from others in the oil and gas service sector.
- **How to target and identify high probability opportunities and best prospects** in the oil, gas and energy sector and eliminate wasted time and money chasing the wrong sales leads.
- **How to be the first:** You will learn how to get early leads and identify opportunities quickly.
- **The urgent needs of oil and gas companies.**

Industry Outlook

Once, a colleague asked me: “How do you see the future of the Tanzanian oil and gas sector in the next 5 years?” My answer was one word: it would be “evolving.”

A lot of evolving will occur because there is a growing demand for energy in the entire East Africa region. And there is also strong energy demand growth supported by increasing industrialization and power demand in the region.

Our power plant relies on natural gas. Our factories rely on it. And our people depend on it for affordable electricity.

In addition, it’s actually pretty amazing to watch how quickly the government is working with the major oil and gas companies in joint ventures to tap into these oil and gas resources. Because they know that it will result in prosperity for its people.

This will stimulate future exploration, development and production activities in the region. It will also stimulate investment in oil and gas infrastructures.

They also represent considerable opportunities for both local and foreign service companies to serve client directly in the oil and gas sector or indirectly by engaging subcontracting opportunities.

In summary, the growth of the oil and gas industry and its service subsector in East Africa is supported by:

- Development and expansion of the oil and gas pipeline networks.

- The increasing oil and gas infrastructures operated by oil and gas companies needed to be expanded to transport increased gas volume.
- Available and planned oil and gas and energy projects.
- The relatively healthy oil price.
- Increase in investors' interest in East Africa.
- Strong government support.
- Ongoing natural gas production in some part of East Africa such as Tanzania.

With a relatively stable oil price and increasing demand for energy (gas), oil and gas activities is on the rise in the region. East Africa stands a greater chance for growth and has a bright future in its oil and gas sector.

Targeting the Best Business Prospects for submitting proposals for Work

Finding high quality leads with a greater capacity for future projects, such as drilling, helps vendors to tailor their products and services to better fit the market. This saves time and money and helps to focus your marketing resources to the oil and gas companies who have a high demand for your offerings.

Below are some steps to identify and target high-quality leads in the oil, gas and energy industry. This enables oil and gas service providers set their strategy with confidence and identify opportunities before their competitors in this ever-changing energy market.

Discover the main players in the market

The first step is to find who the main players are in the region. Develop a list of both major multinational oil and gas companies and small, independent oil and gas companies that have a physical presence in the region.

Observe current oil and gas activity in the area

Once you have found out the key players, the next step is to identify what they are doing in the region. Find out what kind of oil and gas activities are occurring in the area. Also, find out which companies are likely to have a project in the future. Which company is likely to drill, build oil and gas pipelines or conduct exploration in the areas? Identify their oil and gas production levels. This will help you to narrow your target group prospects and focus your sales and market effort to prospects who are likely to have a project in the region.

Gain a high-level overview of the project capacity

Once you have narrowed your best target business group, you need to find more information about the companies' activities or projects.

If you have learned that some of your prospects are preparing for drilling projects, you should dig deep to know how the information that will help have a deeper understanding of these operators and their activity. So, if you have uncovered that your prospects are gearing up for drilling, find out how long it takes these companies to drill their wells.

Which company has been contracted to drill the wells? Gather sufficient information about the oil and gas companies (operators) and their prime contractors. Because, sometimes, oil and gas companies do not buy but their prime contractors do.

Ten Competitive Marketing Strategies

Now that you have identified the best companies or prospects to target across the industry and you know those who are likely to demand your services, the next step is to develop a business development plan that separate your business in the industry.

Like any other industry, the oil and gas energy sector has its own extreme ups and downs.

So, developing a solid business and marketing plan will do more to assure your long-term success. It will help you think honestly about various parts of your business and save you enormous time and energy.

When you are developing your marketing strategies, you need to consider factors that differentiate your business from others.

After having conversations with teams who are service providers in the oil and gas industry, I put together key points that will help differentiate your business.

1. Estimate business opportunities in the market

Assess business potential for your company in the East African oil and gas base on existing competitors, active key players and potentials for the future projects.

2. Utilize consultants and research information providers

Keep relationship with consultants and research information providers to stay on top of current issues trends and how they affect your business. Also, utilize consultants to gain insights on upcoming projects.

3. Explore and pursue opportunities to projects not related to oil and gas in your area

In your marketing strategy, make a list of the other project that are not related to the oil and gas sector which your business can be part of. If, for instance, you provide maintenance and repair services to the oil and gas companies, power plant projects might also need your services.

4. Monitor regions that are growing to tap into new opportunities

Keeping track of growing regions, like East Africa, will help you take advantage of the oil and gas opportunities.

5. Create a clear message describing what your company does in a way that it generates interest for clients. You should prepare a short document that describe your company and its competitive advantages.

6. The days of “handshake” is coming to an end in the energy industry

The oil and gas industry is a personal contact industry. It is a sector of people doing business with people. So, build relationship by demonstrating that you understand your clients’ business. Identify their needs and speak to address their needs.

7. Understand why you lost a bid

If you bid unsuccessfully for a contract, it is imperative to ask why you were rejected. This will help resolve your weakness on the next opportunity to bid.

8. Complying with industry requirements keeps you competitive

By highlighting some advantages, such as how you comply with trade regulations, local content requirements and licences, you will be more competitive in the marketplace.

9. Prepare to reach multiple sub-sectors of the oil and gas industry

The oil and gas industry is volatile and affected by oil price fluctuation in the global market. So, diversification is essential to surviving during the bad days in the industry.

Prepare to reach all the three sub-sectors of the energy market: from upstream E&P, through storage and transportation to downstream utilization.

10. Attend all sales meeting prepared

To increase your chance of success, you should plan and prepare the presentation for your goods and services prior to meeting with industry clients.

That way, you will have a great presentation of your offer and this will make the decision makers have confidence that you are the right person to be given the project.

11. Embrace changes.

Industry regulations may become stricter, so make sure you stay ahead of the changes and regulations in the industry and comply with them.

12. Expand your opportunities by entering new markets or establishing your business outside your geographical area.

Being the First

Now, you are aware that the future of the East African oil and gas sector is awesome. You have also learned how to target best business projects for works and you have seen the marketing strategies that will differentiate your business in the industry. So, here is how to go about being first in the energy market.

1. Focus on the highest potential business prospects

To be the first means to filter all the noise and focus on business prospects that are likely to need your services or products. This means targeting the potential opportunities that best suit your business. Also, you have to know more about the need of the business prospect and figure out the role your business can play in filling the gap.

2. Never rely on relationships to generate new business

I agree that relationships are essential in the energy industry. People in this industry prefer to do business with people they like and trust.

So, referral marketing can be an amazing source of new business, because recommendations from an industry colleague has credibility and trust.

But in today's energy market, scouting, relationship, and word of mouth are not enough. Oil and gas industry buyers need facts to justify purchasing to their company.

Demonstrating that you know customer's business and uncovering customer's needs and how your product or service can help resolve their issues can help build trust and make you the first *mover*.

You also need to be transparent on how you comply with trade regulation and local content requirements.

The biggest drawback of relationship marketing is that you can't hope to get enough referred business to sustain your business growth.

3. Do more with less:

To be the first means you need to be more efficient, proactive and productive in your approach. So, get more information and research on key and active energy players in the market. Monitor activities and trends in the region.

4. Develop relationship with consultant and information vendors

To save time and resources, you need to partner with information vendor who will help you find decision-making information that will enable you to identify new oil and gas opportunities that have not even been market yet.

The Urgent Need of the Oil and Gas Companies Buyers

As I write this book, the oil price is increasing gradually after going the majors slump in 2014 – 2016. I don't know when the oil price will reach \$100 per barrel and no person does. But what we all know is that the low oil price comes and goes. We are sure that the long-awaited oil and gas market recovery is under way.

As this is happening, oil and gas companies have urgent needs to increase production and improve efficiency in their activities of finding, discovering, developing and extracting oil and gas resources.

Oil and gas supply chains and procurement are continuing to review their supplier's networks in much details and evaluating the competitive price and quality the new suppliers can offer.

So, there are opportunities for suppliers to offer solutions. This can be equipment, services, materials or anything that will add value to their daily operation.

If you can be completely transparent with them on how you comply with trade regulations and local content requirements and be willing to offer them partnerships rather than procuring products and services, there are opportunities for new suppliers to enter the market and bid on latest tenders.

About the Author.

Hello, everyone.

My name is Hussein Boffu. I have the greatest job in the world: finding decision-making information for business professionals in the energy sector.

I run an independent business research-based consulting firm, providing business-research service to suppliers, service providers, oil field service companies, research groups and so on.

I have supported oil and gas companies in Tanzania with their procurement needs such as Maurel et Prom Exploration and Production Tanzania Limited.

Since 2018, I have hosted an industry event by the name *Oil and Gas Happy Hour* which played important roles in connecting buyers and sellers in the oil and gas market and helping them identify available and upcoming opportunities.

I have supported and provided promotion for the companies who wanted to create their own event in Tanzania, including CWC Group, Mozambique Gas Summit, LP Gas Summit, Sub-Saharan Africa Upstream Oil and Gas Summit and Exhibition and Africa Oil Week.

Here is how we can help you:

1. Bespoke research

This is our core business: helping service providers, equipment providers and suppliers evaluate market or new business opportunities. Also, helping anyone who wants to gain an independent view of opportunities so as they can be more efficient and sustain competitive advantages in this ever-changing market. I work with clients to define

what their business problem is and what information about their external environment they need in order to make good decisions.

2. Pre-event marketing services

We also offer pre-marketing services for energy event companies. Our pre-event marketing services include:

E-newsletter Marketing

TanzaniaPetroleum.com e-newsletters have reached 3452+ industry professionals. TanzaniaPetroleum.com offers sponsorship opportunity for advertising your business through its popular *Top Energy Pick of the Week* weekly newsletter.

Email Marketing

The email list rental service provides a tool that enables you to send your customized design that will be sent to thousands of subscribers delivering your message straight to the industry members which have subscribed to the website to receive industry news, updates and offers like yours.

TanzaniaPetroleum.com shall send your message to the entire list on your behalf. There is a possibility to segment the list, based on demographic factors, to meet your needs for messages to be sent to a specific group. The list currently exceeds 3252 records.

3. Event Management

We also partner with organizations as an event contractor to deliver your events, workshop or seminar's logistics (venue sourcing), catering, speakers' invitation, marketing and promotion.

4. Recruitment Solutions

We simplify recruitment process and search for hard-to-fill positions in Tanzania that help organizations secure right candidates faster and more efficiently and that reduce cost per hire and give you peace of mind to focus on your core business while getting access to pool of potential candidates.

Acknowledgment

My special thanks go to our partners who have been sponsoring our events, attending our events, reading our articles, buying and supporting all my initiatives.

I would also like to express my sincere gratitude to industry leaders from the government authorities in Tanzania for their continued support to our industry initiatives. Your support is well appreciated.

Big shout out to Mark LaCour, the director of US-based firm, Modal Point, for his tireless consultation and mentorship since the first day I started being involved in this industry.

I can't forget to thank Abraham Adekunle, a writer from Lagos, Nigeria, who has done a great job editing and formatting this book. Olubunmi Olajide, you are never forgotten in this journey.

Lastly, I would like to thank all students and graduates. I enjoyed to learn and collaborate with these industry leaders of tomorrow.

I strongly believe that, with such courage and collaboration, we can take Tanzania and Africa's oil and gas industry in 2020 and beyond.

Final Notes

Keeping updated and staying on top of the latest trends and issues in the industry and how it affects your business can be a little frustrating. We simplify it for you with our business platform. Visit www.TanzaniaPetroleum.com to stay up to date with industry insights.

Author's contact

hussein.boffu@tanzaniapetroleum.com

+255655376543