

TxIS

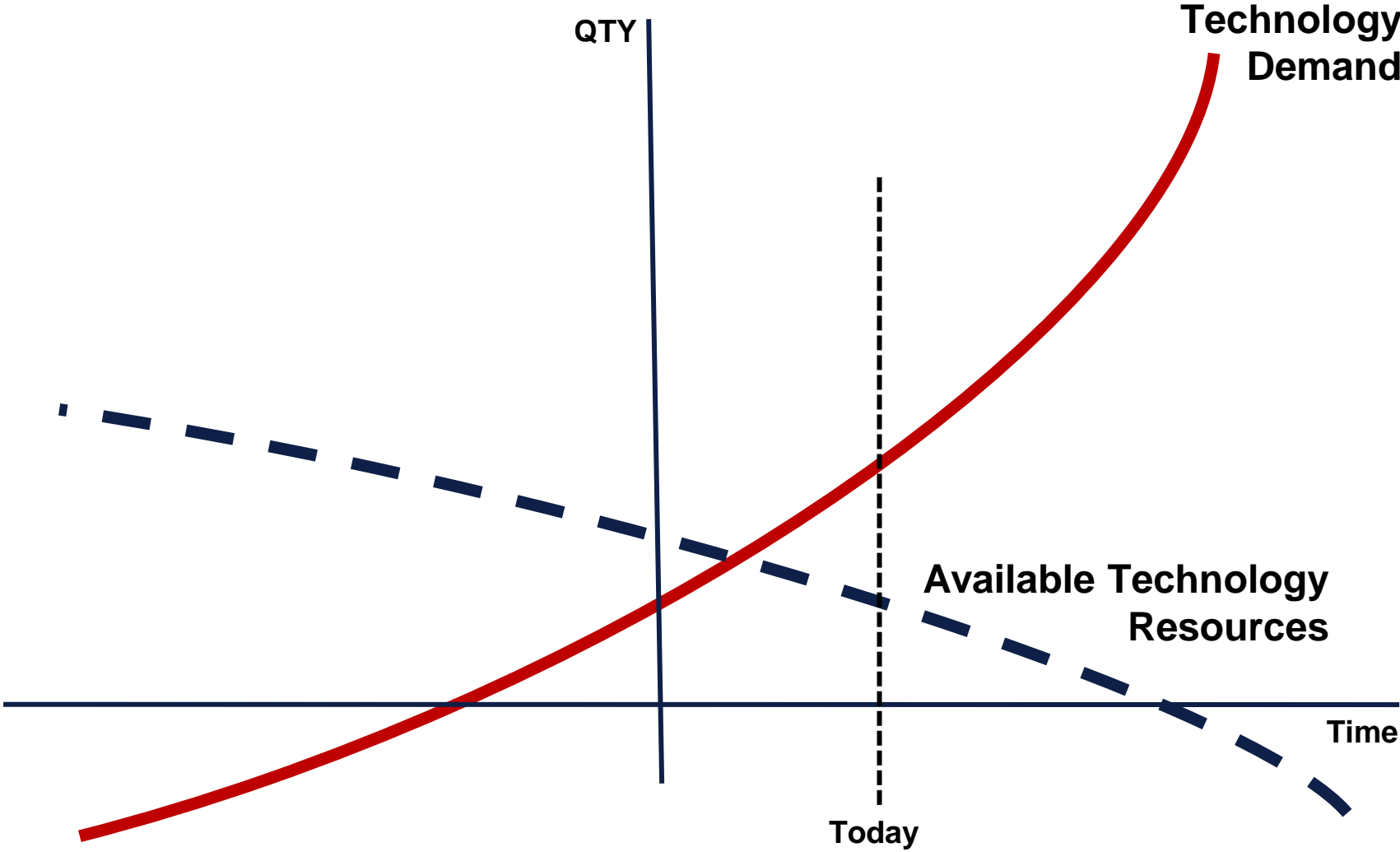
Texas Institute of Science

*Engineering
&
Research Services
Company*

**Laslo Olah
President**



One of the most significant problems



A Comprehensive Study

(one of many)

Intellect On Demand
www.txis.us



Project Leader
Ms. Christine Resler

THE WORKFORCE CRISIS IN THE UPSTREAM OIL AND GAS SECTOR (2006)



Global Energy
Management Institute

The survey included ten top companies:
Largest: \$7.7 billion (latest 12 months)
Smallest: \$1.9 billion



Executive Search

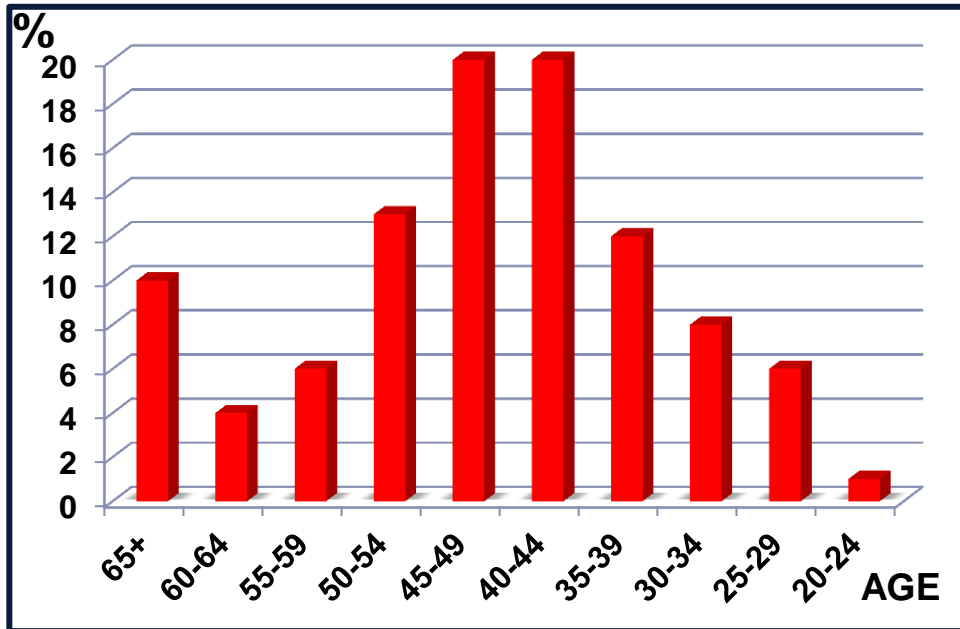
Areas of focus

- Direct Employee Cost
- Lost Profits from Lack of Experienced Staff
- Strategic Opportunity Cost



Findings

By 2006



Society of Petroleum Engineers 2003

- The petroleum industry lost almost half a million jobs between 1982 and 2000 (*API 2004 survey*).
- 2006: Average age of an experienced employee in a management or technical position is approximately 48 to 50 years.
- 40% of the industry's skilled professionals will reach retirement age by 2010. (*Independent Petroleum Association of America*)
- By 2016, the first wave of 77 million baby boomers will start retiring.

Conclusion

By 2010

| | |
|--|--------------------------|
| Lost Revenue on Lost/Delayed Projects | \$2.1 Billion |
| Lost Revenue due to Shortage of Employees | \$3.6 Billion |
| Negative Impact of Profit Margins | \$1.5 Billion |
| Lost Pretax Earnings | \$2–\$3.2 Billion |

PER YEAR !



Going Forward

“The” Big Question

What Will
The Next 50 Years’
Technology Exchange
Look Like?



A Hands-On Solution

Involve a technology management firm with:

- Long and deep bench of specific disciplines
- **Project & Source Management** . . .
- Non-Disclosure Security
- IP Ownership

“If you know how to manage Eastern Academia, you have the Holy Grail.”
(Francois Auzeais, SLB)



Interesting Parallel

From a truly introvert industry

Pfizer closed down its Kent and Sandwich facilities

“...We’ve got no interest in Physical facilities...The last thing we need is a big pile of bricks with air conditioning (Sir Andrew Witty GlaxoSmithKline)...”

“...Patrick Vallance (SVP Discovery, GSK) is championing the “externalization” with biotech and university partners...”

Andrew Jack, FT Pharmaceutical Correspondent 2012



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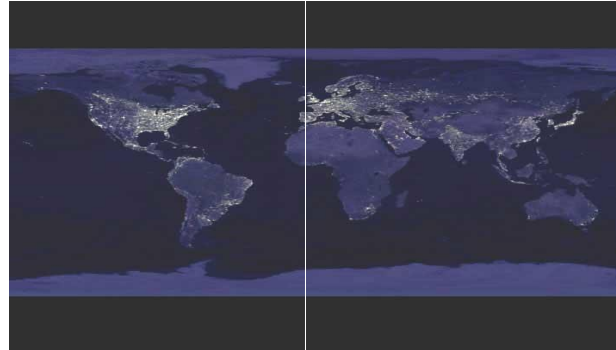
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In the Oil/Gas Industry

Report Findings
(Such as
BAUER COLLEGE)

Austria

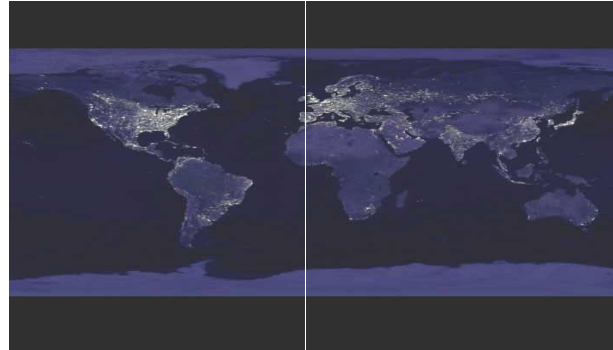


- Approx. 100,000 brilliant technologists
- No funding
- No meaningful project
- No restrictions on IP transfer

In TxIS's Case

Report Findings
(Such as
BAUER COLLEGE)

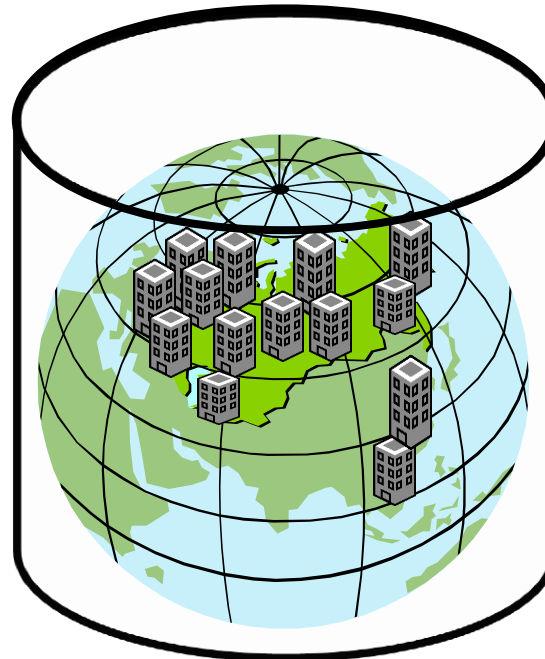
Austria



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HQ: Dallas, Texas

11 Field Offices
E. Europe
Russia
Ukraine
Armenia
Taiwan



DATA BASE

18,000+ Technologists

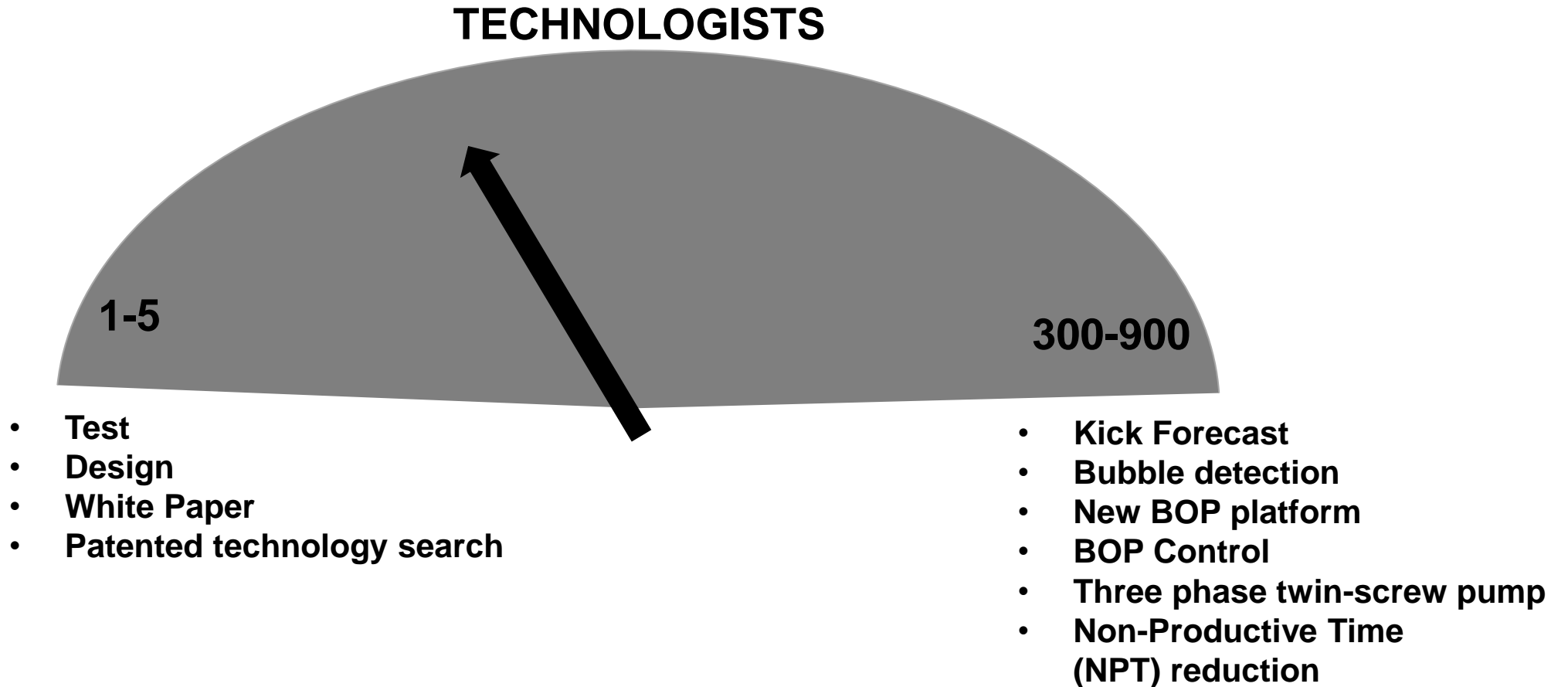
2,300+ Dept & Faculties

220+ Univ. & Inst.

800+ Test Labs

Spectrum of Involvements

On a single project



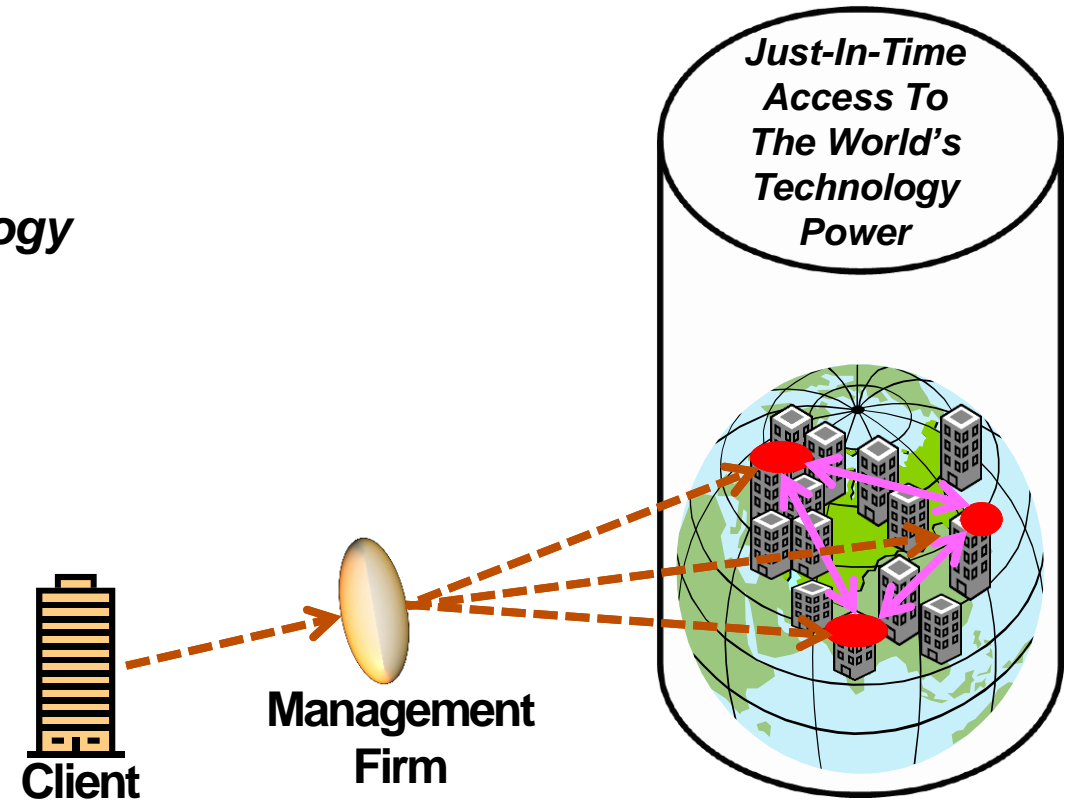
In TxIS's View

The next 50 years' Technology Exchange will consist of:

Externalized R, D, Engineering & Test

Industry must develop close relationship with Technology Management Firms that:

- Do not “outsource”; “augment” and “enable”
- Have strong, qualified project **management**
- Offer one-stop-shop service
- Have vast, **managed** intellectual capacity
- Provide confidentiality comfort zone
- Secure all IPs



Thank You

(This presentation is available upon request)

