

TAB Case Study: Petro Canada

Outsourced Services

The Organization

Petro-Canada is a major Canadian oil and gas company with a portfolio of businesses that span the upstream and downstream sectors in the Canadian petroleum industry. Petro-Canada's four core businesses are:

- Oil exploration, development and production offshore Eastern Canada;
- Oil sands production and development in northern Alberta;
- Natural gas exploration and production in Western Canada;
- Refining and marketing of petroleum products, including lubricants.



“Best in Class” with Outsourcing

In the early 1990's as part of a corporate-wide mandate, Petro-Canada formed a number of teams to bring new “Best in Class” practices to Petro-Canada. The teams examined other organizations' processes within and outside the petroleum industry and considered how Petro-Canada could implement process improvements.

The management of operational file rooms, which contain active records that support Petro-Canada's core business, was identified as one area that could be improved through outsourcing. From the corporate viewpoint, outsourcing this function was considered a potential solution that would enable Petro-Canada to have a better focus on core operations.

The concept of outsourcing was new to Petro-Canada's upstream business and it created an environment of uncertainty. What did outsourcing truly mean? Were jobs going to be eliminated? Would Petro-Canada lose the ability to retain competent staff? How could an outside party know what the internal needs truly were? Would current service levels be maintained?

In Need of a New Vendor: TAB

After three years of service from another outsourcing vendor, an RFP was prepared to evaluate additional possible vendors for the delivery of outsourced file room administration services for Petro-Canada's Upstream operation. Petro-Canada judged RFP respondents based on a number of different criteria including the vendor's organizational experience, capabilities, core competencies, staffing plans, vendor's understanding of Petro-Canada's business, vendor's invoicing processes and the cost to deliver services.

Based on responses to the RFP, Petro-Canada ultimately decided to move forward with TAB. Why TAB? As explained by the Senior Records Advisor for the Information Business Solutions Department:

“TAB had a wealth of experience with records management. We had been using TAB's consultants to help us with enhancing our records management policies and procedures. I felt confident that they truly understood our business and how our records supported Petro-Canada's overall business objectives.

“Now with TAB, we have a flexible resource that provides highly capable staff - who have a passion for records management. We now know the true costs and the associated benefits of having records professionally managed.”

“With outsourcing, we had an issue with the ability of a provider to keep competent and capable people. TAB addressed this and I was particularly impressed with how they wanted to grow and develop the staff that would work with us. TAB provided an opportunity for the current records management staff to be part of an organization where records management was regarded as a core competency, and where staff that worked with us could have a long-term career path. TAB helped the records management staff to realize that they are valued by both organizations, TAB and Petro-Canada.

A Professional and Flexible Transition

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The Manager of Land Services and Contracts observed, “As the transition occurred between vendors, TAB was very professional, flexible, and they recognized the challenges we faced and they made adjustments as our needs changed.

“We are now able to identify where our costs truly occur and uncover the variable costs of individual projects. This helps our internal client groups to understand the specific costs associated with their individual projects. Identification of these costs has also helped us to make sure projects are adequately funded and deliver the desired benefits. Outsourcing with TAB has enabled us to add an additional “gauge” on our control panel. It has given our organization the ability to be objective in evaluating the overall performance of records management.

If I was to make a recommendation to another organization about outsourcing records management based on our organization’s experience, I would say that you should go forward understanding that there will be significant challenges, but recognize the fact that in the long run the overall benefits will far outweigh these challenges if it’s done properly.”



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