

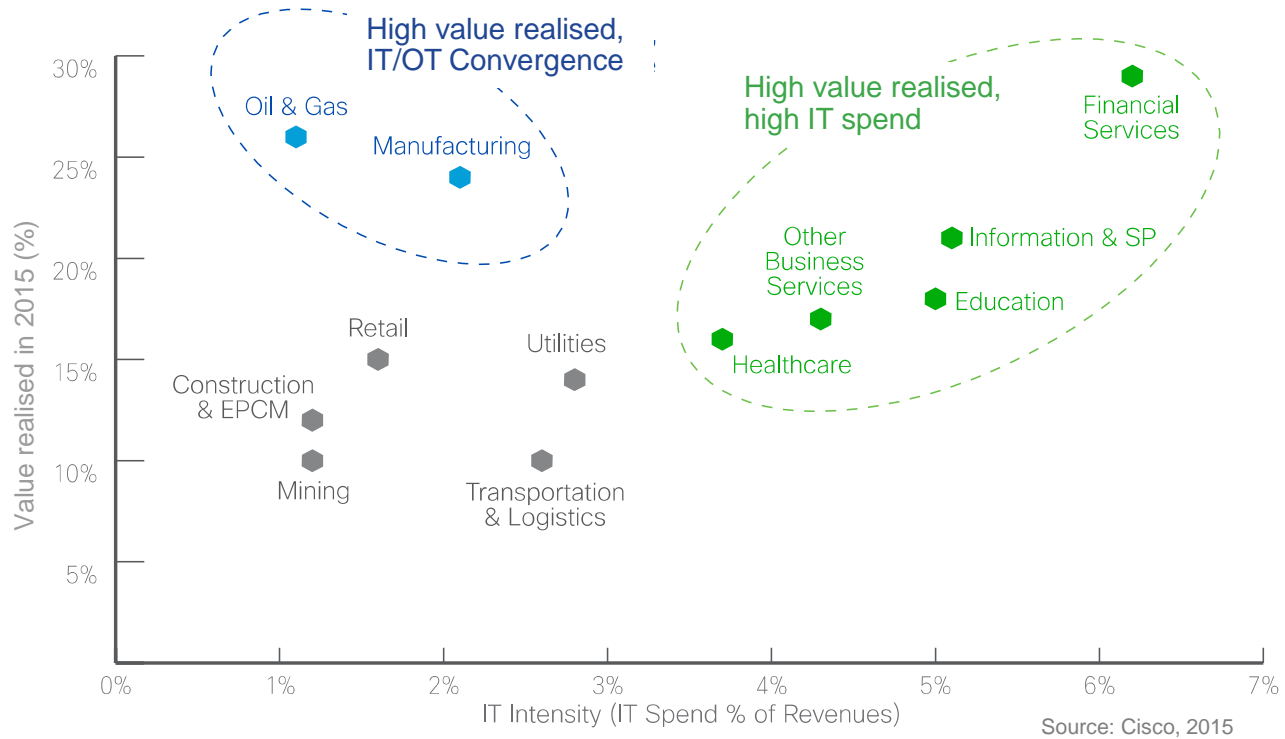


We're ready.
Are you?

Moving From an IT Discussion to an OT Discussion

Craig Lindsey - Director

Why Move the Discussion from IT to OT?



Is There Opportunity in Converging IT and OT?



do **NOT** believe their IT and OT strategies are closely aligned

Source: Cisco, 2015

“ ...you could get different responses to something as simple as how many wells do we have. So the data has to be aligned. ”

*Chris Niven, Research Director,
IDC Energy Insights*

The Payoff: 11% Increase in Annual Profit



Yearly savings for an oil and gas company with \$50B annual revenue:

UPSTREAM

| | |
|----------------------------------|---------|
| Reduced production/lifting costs | \$.509M |
| Increased rig uptime | \$.242M |
| Reduced CapEx/cost-escalation | \$.122M |
| Increased drilling efficiency | \$.113M |
| Improved recovery rates | \$.098M |
| Reduced equipment costs | \$.049M |
| Improved remote monitoring | \$.042M |
| Improved personnel safety | \$.05M |



MIDSTREAM

| | |
|------------------|---------|
| Fleet operations | \$.097M |
| Reduced spillage | \$.07M |



DOWNSTREAM

| | |
|----------------------|---------|
| Intelligent lighting | \$.062M |
| Connected marketing | \$.044M |
| Next-gen workforce | \$.018M |
| Smart refineries | \$.09M |
| Smart buildings | \$.01M |

Sum of annual benefits: \$1418M

IoE enablement costs: -\$425M

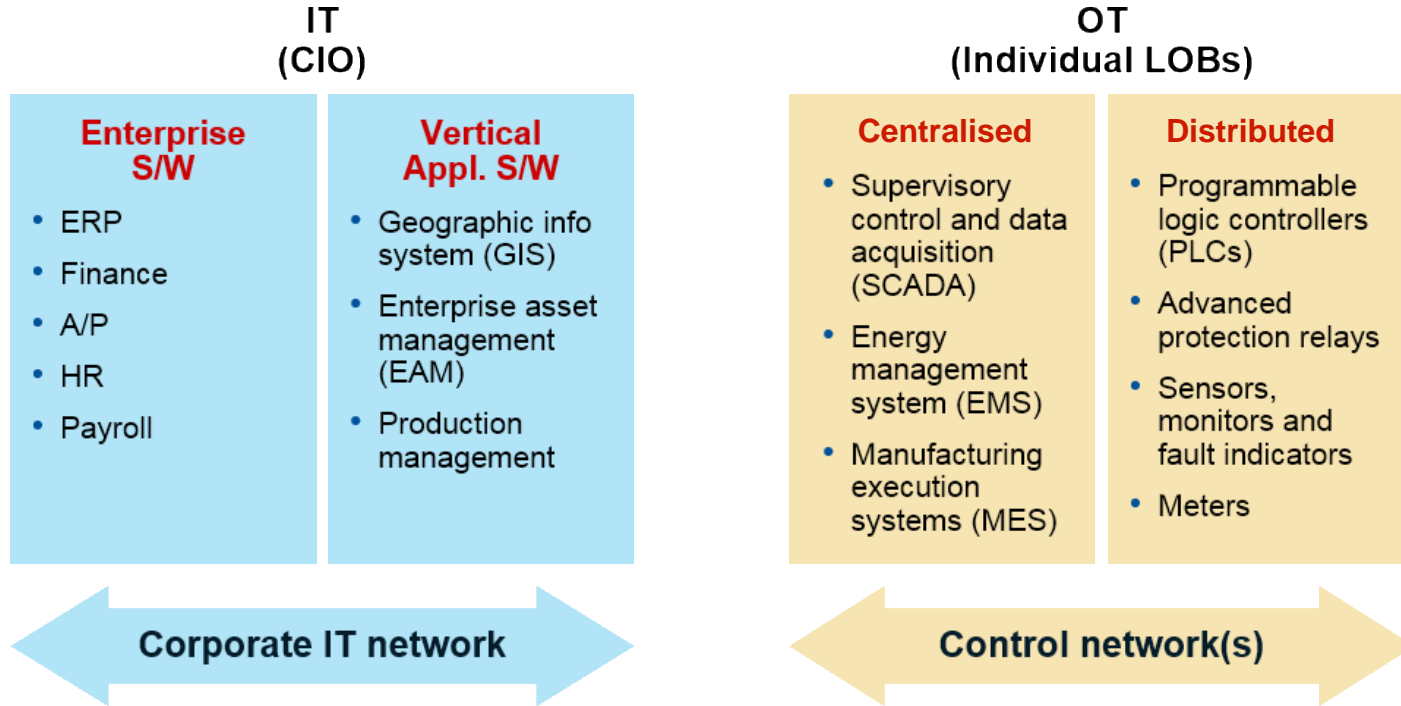
Unrealized Value at Stake:* 54%

= \$538M

Annual Profit Increase
for a \$50B firm

What Is The Challenge?

Traditionally Different Parts Of The Business

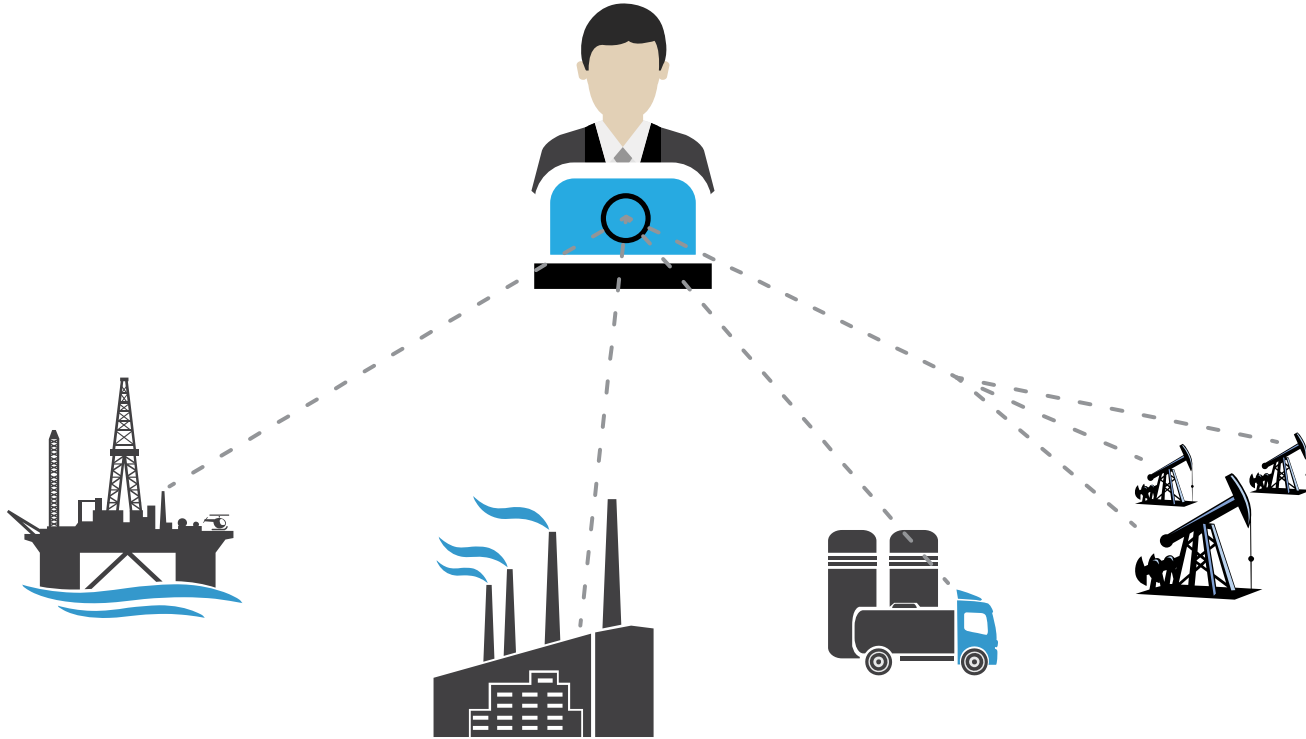


Source: Gartner (June 2015)

Differing Priorities and Focus

| | IT Services | OT Services |
|----------------------------------|---|--|
| Focus | Protecting Intellectual Property and Company Assets | 24/7 Operations, High Effectiveness, Safety, and Ease of Use |
| Implications of a Device Failure | Continues to Operate | Could Stop Processes, Impact Markets, Physical Harm |
| Security Approach | Confidentiality , Integrity, Availability | Availability , Integrity, Confidentiality |
| Infrastructure Life Cycle | Equipment Upgrades and Refresh <5 years | Avoid Equipment Upgrades (lifespan 15-20+ years) |

Data Is From Varied, Highly Distributed Sources



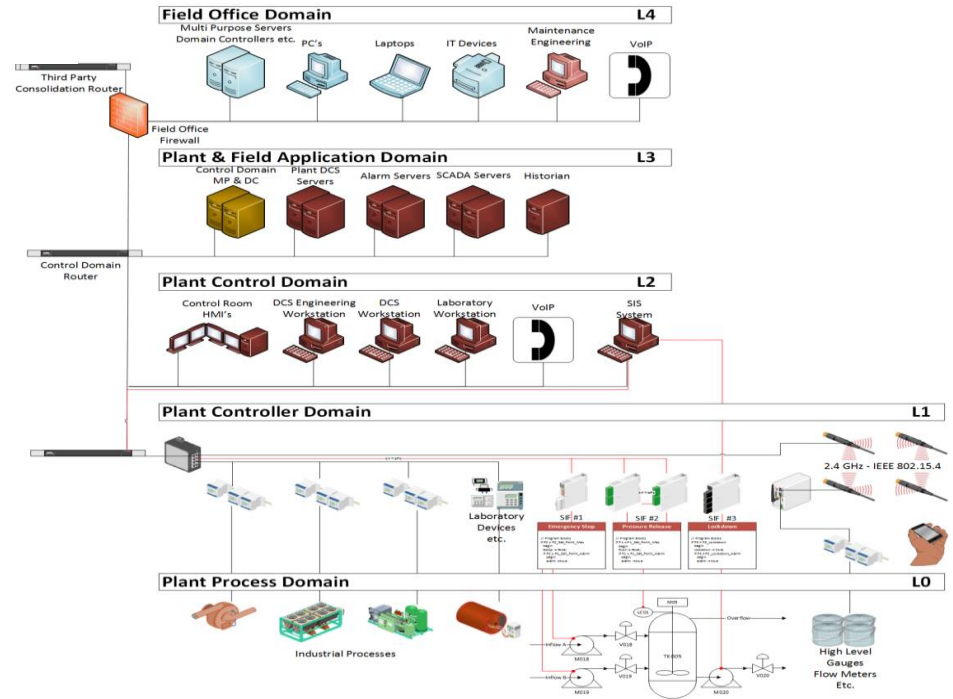
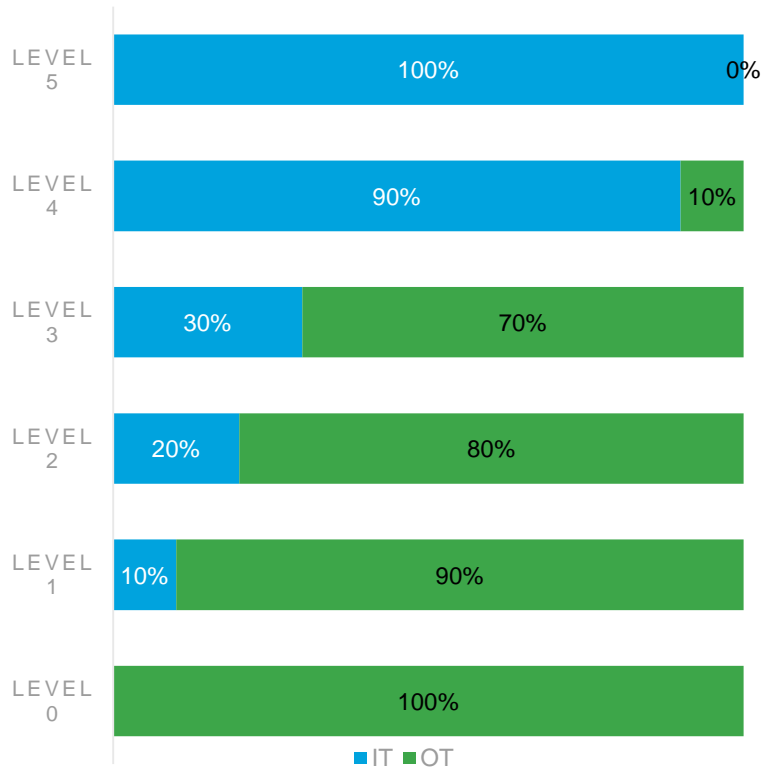
Partner Insight
at **Cisco** *live!*

Example - Security

Converged IT & OT Security Model



How Cyber Security Needs Vary Between IT and OT



Where To From Here?

Partner Insight
at **Cisco** *live!*

Together is Better



Digital Evolution



Operational Focus



Talent Shortage

Delivers Improved Outcomes To Our Customers



Visibility



Security



Platform



Advisory



Integration



Managed

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Thank you

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at **Cisco** *live!*

