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HOW TO **CONTROL YOUR HDD OPERATIONS LIKE A NAVY SEAL**

Use the tactics Navy Seals have refined to help you analyze and navigate your HDD operations in uncertain times.





We've been around for three-quarters of a century and have seen almost every type of economic fluctuation you can imagine. There will always be circumstances that are outside of your ability to influence them. This article will leverage how NAVY SEALs adapt to the unknown to give your HDD operations a new perspective amidst uncertainty. Leveraging tools that Navy SEALs have refined can help your HDD company benefit from operating as a Navy SEAL in an uncertain economy. We will provide characteristics, examples, and approaches you can take to confront each VUCA category: **volatility, uncertainty, complexity, and ambiguity.**





Being a founding pillar of the HDD industry has given us some perspective on economic fluctuation that only comes with experience. We have learned through trial that there is never a 100%-certain plan. Forecasting and planning provide insight, but there will always be circumstances outside of a contractor's ability or influence.

Perhaps Mike Tyson said it best when he said, "Everybody has a plan until they get punched in the mouth".

The recent economic impact of the worldwide COVID-19 Pandemic has punched almost every industry square in the mouth...so to speak. The Oil and Gas industry has taken a hard hit at the time of this article. Still, the telephone and fiberoptic markets are sustained by demand for higher speed internet as people and businesses are forced online and sheltered. It is hard to predict all the variables that will impact the HDD industry in the near future.

There is no one better to address navigating unknown circumstances than the Navy Seals. The Seals developed an acronym for it—VUCA Volatile, Uncertain, Complex, and Ambiguous conditions could easily define almost every situation a Navy Seal trains for, then finds himself wading navigating. It is also how many HDD contractors might describe the HDD industry landscape at the moment. Adapting the skills that Navy Seals have perfected to our industry might help you apply them to your HDD operations.

V

VOLATILITY

U

UNCERTAINTY

C

COMPLEXITY

A

AMBIGUITY

VOLATILITY

Characteristics: The challenge is unexpected or unstable and may be of unknown duration, but not necessarily hard to understand.

Example in HDD:

Amidst world economies sequentially hibernating as a virus strikes, an owner/operator HDD contractor starts to see the businesses he once hoped to gain work from start to close their doors. Being a small operation of himself as a locator, a rig operator, and a third part-time mud specialist, he's worried about one of his team members getting quarantined and removing one-third of this operation. Some small-diameter jobs seem to be on the rise, and he's keeping busy with all the internet cable demand, but will that sustain him?

Applied to HDD:

The SEALs call it "building in slack." Visualize Navy SEALs repelling a sheer cliff with one team member holding the grip at the top. If his grip slips, he'll want some slack in the line to reset without dropping his team. The SEALs discovered that the same principle applies to SEAL operations as well, and preparedness is the name of the game. Stockpiling food rations and overtraining within specialties are two ways they handle it. HDD Operations can utilize the same principles to build in "slack" to their operations...even at this stage of a pandemic. For example, boning up on the latest HDD technologies and practices can help you have alternate plans of attack when you hit the unexpected. This preparation can come in the way of getting new tooling demonstrations from manufacturers to learn the full range of limitations of your equipment vs. what is available. If a video-conference or live demo is not in the cards, you can study existing HDD-specific case studies or tooling specific videos. If you have downtime at the moment, this will pay for itself soon.

You may not need food rations like the SEALs, but reasonable inventory on hand of essential HDD tooling will pay for itself in times such as these. You don't need every tool available for every situation, but a core selection inventory can be a lifesaver. The cost of downtime is much costlier when a high volume of jobs does not offset it. Equally not being able to bid or take a job because you are not appropriately equipped for the job (such as rock), could cost much more than the inventory cost of carrying the extra setup or two you'll inevitably use.

UNCERTAINTY

Characteristics: Despite that lack of other information, the event's basic cause and effect are known. Change is possible, but not a given.

Example in HDD:

With small to medium-sized HDD contractors, expenses and overhead are relatively reliable over time with a relatively robust network of suppliers and crew members. The superintendent knows where he gets his drill pipe from and his mud mix recipe and has relationships with each, so he knows lead times and delivery rates. At least that is how it was before world economies going offline. Manufacturers are now forced to increase pricing for pipe that is sourced abroad to counterbalance skyrocketing air freight fees and border taxation with longer lead times higher demand. Suddenly, his business is at risk because he can't get the tools he needs to complete the jobs required.

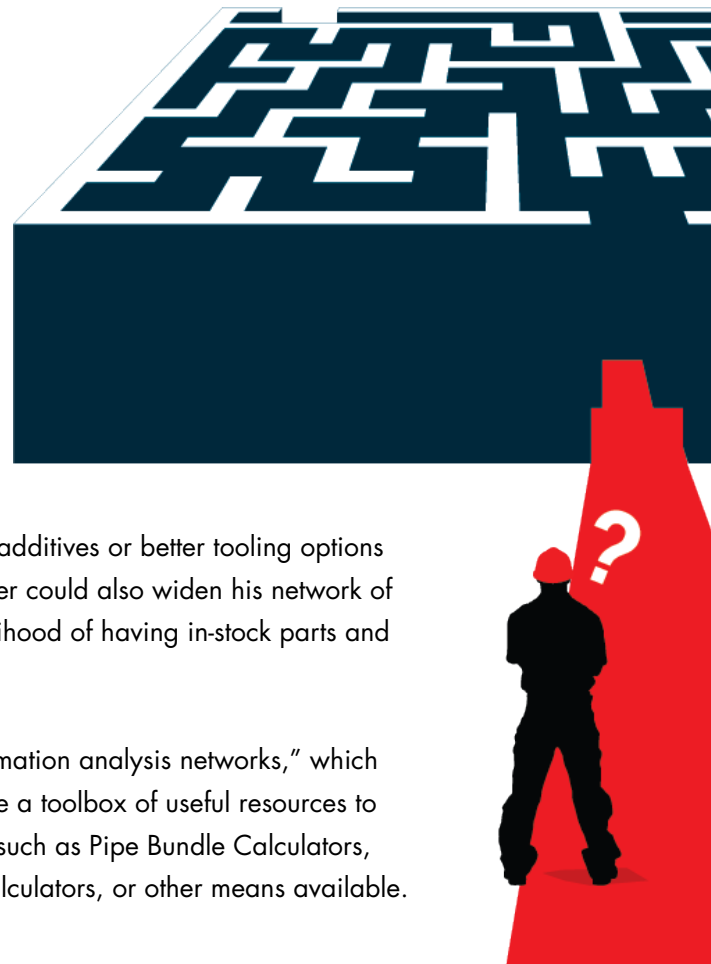
Applied to HDD:

The Navy Seals test the mental limits of the mind and the physical limits of the body. They are trained in combat situations, but also mental analysis of environment tactics.

HDD crews have to stand up to pretty heavy physical rigor day in and day out as Seals do, but they too have to be mentally sharp within their specialty. The mud guy will likely know each additive's chemistry and exactly how that impacts the viscosity of the mud returns. The locator is equally adept at reading complex HDD locating technology to find correct pitch and depth of the bore path and correct when off course. Let's not forget the experienced rig operator that can thread the needle by estimated torque and thrust to maximize the rig's output without overloading the limits of his tooling.

In times of uncertainty, it is time to invest in information to increase your correct decisions when so many other answers to questions are uncertain. This would look like an HDD contractor leveraging his crew's expertise to analyze the numbers on more efficient use of additives or better tooling options that reduce downtime (connecting, disconnecting, etc.). The purchaser could also widen his network of resources to include Domestic Manufacturers that have a higher likelihood of having in-stock parts and shorter lead times.

Navy Seals stack this information-sourcing with what they call "information analysis networks," which can reduce ongoing uncertainty. To an HDD contractor, this would be a toolbox of useful resources to calculate important variables easier for better decision-making tools such as Pipe Bundle Calculators, Drill Rig Fitment Guides, Depth & Pitch Guides, Reamer Diameter Calculators, or other means available.



COMPLEXITY

Characteristics: The situation has many interconnected parts and variables. Some information is available or can be predicted, but its volume can be overwhelming to process.

Example in HDD:

A mid-sized HDD Contractor has several crew members and business bids in several counties—all with unique ground conditions and requirements. Due to COVID-19, the crew has cleared out, collecting their stimulus checks or quarantined at home, and the business can't expect help until after summer. The company can close some bids, but the owner isn't sure about meeting the ongoing demand for drilling, and he is scared the pipeline of business will dry up. The complex nature of drumming up new business, finalizing the current bids, and managing the crew for future work has the owner overwhelmed.

Applied to HDD:

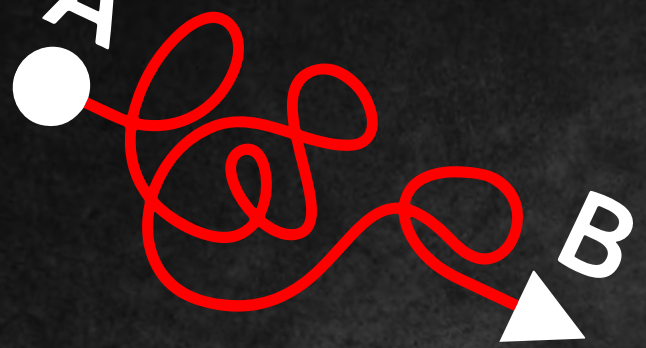
If you are the owner in the previous scenario, restructure your thinking and bring on or develop specialists to build up resources adequate to address the complexity. A Navy Seal Team is a unit of specialists that all have their niche. Does your team look that way, or are you at the head leading a distant team of muscle? An HDD crew could look like a similar band of specialists with a rig operator specialist, mud mix specialist, radio locator specialist, and an HDD tooling specialist. With an integrated team of specialists vital to core operations, you might be surprised at how they become a band of brothers rather than just hired crew members. Now is the time to hyper-focus those individuals on their specialties. You might be thinking, "That sounds great if only I had a heads up three months ago!"

Well, even surrounded by lockdowns and quarantines, there are resources available. For example, Mud Schools can provide your additive specialist with more training that could reduce costs. If your team doesn't have a specific tooling specialist, you can use the Live Chat feature at melfredborzall.com to check connection types, torque ratings, or specific tooling questions on the fly. Just keep your smartphone in your back pocket.



AMBIGUITY

Characteristics: The situation is open to more than one interpretation; inexactness. No precedents exist; you face “unknown unknowns.”



Example In HDD:

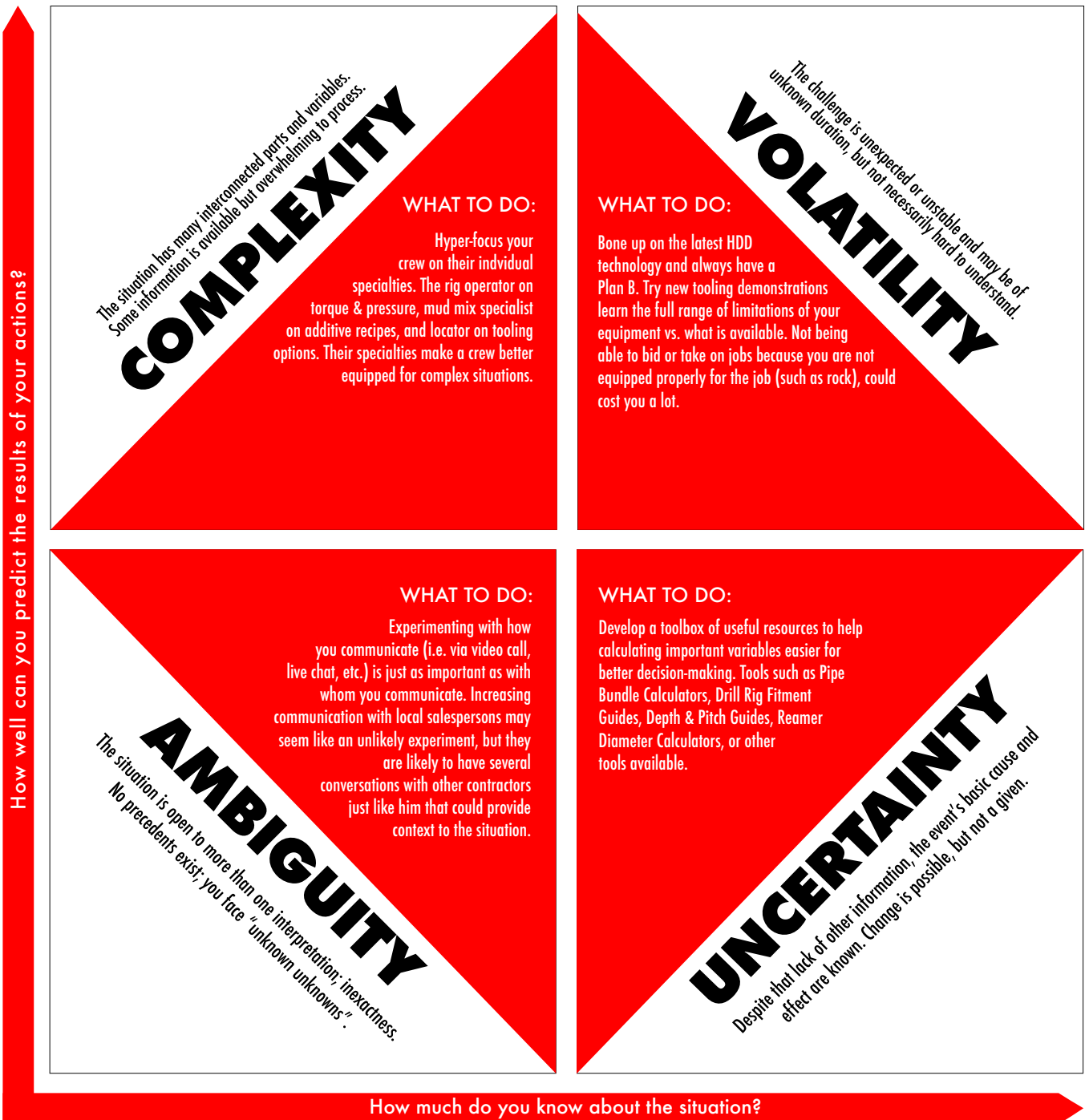
Navy Seals entering hostile territory deal with a situation with more than one interpretation with every interaction they make. Assessing if civilians are indeed civilians or disguised threats is one of the ambiguities a Seal encounters. For an enterprise-level contractor carrying the main load of his jobs through government contracts, the enemy is not individuals, but the ambiguity itself that now exists without regular contact with key individuals that have previously provided insight and security in bidding government jobs. With county and state officials on lockdown, a contractor is now at the mercy of a returned phone call, replied email, or text message, all of which are passive communication types. This is hard for someone that relies on relationships and contacts in key government places. There is no way to know if he should wait it out or adapt to a “new norm” with no precedents.



Applied to HDD:

Experiment. Navy Seals are very good at experiments so that the lessons learned can be broadly applied. In hostile territory, this might look like asking questions to individuals to reveal their intentions. Experimenting with lines of questioning allows them to learn the most revealing questions with the most effective replies. An HDD contractor has to adopt a similar approach of experimentation with his communication to get responses and read the context in those replies. Experimenting with how he communicates (i.e., via video call, live chat, etc.) is just as important as with whom he interacts. Increasing communication with local salespersons may seem like an unlikely experiment. Still, they are likely to have several conversations with other contractors just like him that could provide context to the situation. Equally, manufacturers are very close to the pulse material availability and economic factors that might be weighing on the minds of their customers as well. Removing unknowns will allow those crucial moments when the contractor can communicate with whom he needs to be more impactful and effective.

VUCA MATRIX



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TALK TO THE EXPERTS

Operating a successful HDD operation is no easy task in today's world. Our network of seasoned industry experts has the knowledge and experience to provide valuable insight into your HDD operations, tooling, and any other questions. If you have questions, call your local Melfred Borzall distributor to talk "boring" options.

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