One ship sails East, another West
With the self same winds that blow
It’s the set of the sails and not the gales
That determines the way they go.

- Anonymous
Plenary Session Two

Same Storm, Different Ships
How Will Contractors Respond to the Winds of Change?

Paul Nicks
Senior Vice President, Business Development
Uhde Corporation of America

Contractor's Panel

41st Annual ECC Conference, September 9-12, 2009, Bastrop, Texas

The Perfect Storm
Navigating Through the Turbulence of Risk and Change
Contractor’s Panel

Steve Dedman
Sr. Vice President
Enterprise Strategic Development
Zachry Holdings, Inc.

John Nesser
Chief Operating Officer
J. Ray McDermott, S. A.

Richard Davis
Manager of Marketing and Business Development
Bechtel Corporation

Same Storm, Different Ships
How Will Contractors Respond to the Winds of Change?
Discussion Themes

- Macro Economics
- Corporate Strategy
- Tactical Responses to Strategic Changes
- Business Cycle Lessons Learned
Discussion Themes

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Discussion Themes

- Macro Economics
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1. Are you a...

1. Owner 22%

2. Contractor 54%

3. Supplier or Other 24%
2. How many years have you been employed with your present company?

1. 0-3 years
   - Owner: 14%
   - Contractor: 28%
   - Supplier or Other: 31%

2. 4-8 years
   - Owner: 15%
   - Contractor: 23%
   - Supplier or Other: 27%

3. 9-15 years
   - Owner: 12%
   - Contractor: 20%
   - Supplier or Other: 16%

4. 15+ years
   - Owner: 29%
   - Contractor: 26%
   - Supplier or Other: 59%
4B. In the next 12 months what changes do you see in capital spending?

1. Increase
   - Owner: 38%
   - Contractor: 66%
   - Supplier or Other: 70%

2. Decrease
   - Owner: 19%
   - Contractor: 7%
   - Supplier or Other: 12%

3. More of the same
   - Owner: 43%
   - Contractor: 27%
   - Supplier or Other: 18%
3. What form of contracting are you seeing (using) more in the last several months?

1. Lump sum / fixed price - 37%
2. Reimbursable / time & material - 20%
3. Combination of lump sum and reimbursable - 43%
Audience Response Question

4A. In the next six months what changes do you see in capital spending?

1. Increase
   - Owner: 19%
   - Contractor: 27%
   - Supplier or Other: 27%

2. Decrease
   - Owner: 30%
   - Contractor: 20%
   - Supplier or Other: 28%

3. More of the same
   - Owner: 51%
   - Contractor: 53%
   - Supplier or Other: 45%
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