

THE NEXT GENERATION

A couple of energy finance guys founded networking organization Young Professionals in Energy to extend the global energy bond.

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In 2005, Stephen Cravens, then an associate at First Reserve (the largest and oldest private-equity firm focused on the energy industry) in Houston, was invited to attend a Houston Producers' Forum lunch at the prestigious downtown Petroleum Club. Cravens had started his own "club" a few months prior to the lunch, where young, like-minded industry professionals could commiserate over a beer, trading stories of their 100-hour work weeks and a few ideas. The Petroleum Club, however, was a different story.

"I got there, looked around the room, and it was guys with silver hair, with custom suits and tanned skin, drinking iced tea, and I could observe that this was where true interdisciplinary knowledge-sharing was taking place," Cravens, now vice president at Cogent Partners in Dallas, says. "And I didn't see any reason why those opportunities should be solely for the benefit of executive-level types.

"An attorney talking to an engineer, an investment banker talking to a geoscientist—this is how you become an expert in the energy industry. It's about getting out of your own discipline to look at the industry as a whole."

Cravens and Michael Teplitsky, a friend and colleague from when the two went through the UBS investment banking analyst training program in 2002, had talked about forming a networking group and professional development group for young professionals in the energy sector. The two subsequently spent a few years learning the global energy M&A business from Stephen

Trauber (now vice chairman and global head of energy at Citi). By 2005, Teplitsky, then an associate at Lime Rock Partners (the global private equity firm focused on growth-stage energy companies) was living in New York and was inspired to start a group while reading *Never Eat Alone*, a book on networking and relationships. The two set to work in their respective cities, organizing get-togethers in local bars, to start up Young Professionals In Energy, or YPE.

"One of the voids we felt was that the energy industry is very technical and very complicated for the outsider," says Teplitsky, now vice president at Wynnchurch Capital in Chicago. "The only groups that were available for the industry were more technical, like the Society of Petroleum Engineers. But at the same time, we were energy finance guys, and we felt like our experience and what we were doing on a day-to-day basis was very complex as well, very technical, but in a different sort of a way."

To get the interdisciplinary idea-sharing Cravens witnessed at the Petroleum Club, he and Teplitsky decided the organization should be as inclusive as possible. To this end, they didn't charge dues, they kept a loose definition of "energy professional," and, despite the group's name, they didn't set an age limit.

"You're young if you think you're a young," Teplitsky says.

Seven years after the organization's first event in Houston (which drew around 50 people, Cravens says), those main principles haven't

Michael Teplitsky (far left), YPE co-founder, with the late Matt Simmons, Simmons & Co. International, and the YPE Houston Leadership Team at the 2008 Leadership Forum.





Stephen Cravens, YPE co-founder, says the older generation “does want to invest in the next generation to help alleviate this gap that we have.”



“We try and touch everything we can that would be gratifying to a young professional in the business, or someone that wants to get into the business,” says Matt Gelotti, YPE Houston chapter director.

changed. YPE, however has grown dramatically, with 25,000 members and 25 chapters worldwide. Membership is across the board in terms of career focus: 15% of members work at an integrated or major company, 12% work at an independent E&P, 11% work in financial services, and 9% each work in oilfield services and pipelines. Other members work in consulting, refining, investing, nonprofits, government, power and alternative energy. Events range from happy hours to speakers series to networking breakfasts to charity events.

“Ultimately, it came down to the typical challenge of a young professional—so much of your job is related to doing and not asking questions,” Cravens says. “Well, this was a forum for someone to ask you what a first-year associate at Vinson and Elkins does, or what a second-year production engineer at Exxon does. It was attractive that people were asking you about your career at 24 years of age. It was attractive that you could meet someone who could enhance your career down the road.”

Bridging the gap

But there’s more to YPE than happy hours and networking, says Matt Gelotti, director of the Houston chapter. “What makes this thing tick is the speakers. I think it’s great to go to happy hour and catch up, but our deal is the speakers and learning from the people who’ve been there.” With 9,000 members at the end of 2012, Houston is YPE’s largest chapter.

Gelotti, vice president at Aon, joined the YPE leadership team in 2007. Prior to that, he had organized a young professionals breakfast series from among his immediate peers, and re-focused it on energy after joining YPE. The first breakfast had 12 attendees. Now, the series draws between 80 and 120 young professionals in the energy sector every month.

Though the series has had modest beginnings, Gelotti has booked the likes of Chevron president of North America exploration and production Gary Luquette, W&T Offshore chief executive Tracy Krohn, and Evercore Partners senior managing director Shaun Finnie. Speakers have also included human resources specialists and recruiters to help those who might be looking for work.

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But the biggest need the chapter is trying to fill is the generation gap.

“Companies are out there that are hungry for motivated, smart, energetic and hungry young professionals that are ready to learn,” Gelotti says. He points out that many companies aren’t necessarily looking for kids fresh out of college, but young industry climbers who already have two or three years’ experience under their belts. YPE, through its networking events and

online jobs boards, provides a forum for that. Many young professionals in Houston have found industry jobs through the chapter, Gelotti says.

Castlen Kennedy, now government affairs manager at Apache Corp., was another important addition to the leadership team. Kennedy, a Washington, D.C. insider, helped YPE secure a crucial grant from Research Partnership to Secure Energy for America (RPSEA), a Department of Energy-based nonprofit, which funded YPE’s new website.

YPE also provides a venue for the elder statesmen and women of the industry to prep the next generation of C-suite occupants. The largest networking event is the annual Senior Leadership Forum, which has grown to more than 500 people over the past six years. Speakers have included former Houston major Bill White, Theodore Roosevelt IV of Barclays Capital, Gil Goodrich of Goodrich Petroleum, Charlene Ripley of Linn Energy, Dan Pickering of Tudor Pickering Holt, and Steven Newman of Transocean.

“We provide a networking forum for the junior-most people and the business leaders,” says Teplitsky. “The younger people get to meet the senior guys and the senior guys get to meet more young people, which leads to younger people getting job offers.”

Having seen the value in YPE, companies such as Chevron, EnCap Investments, Ernst & Young, Schlumberger, Simmons & Co., Shell and Wells Fargo have all pitched in as benefactors of the organization.

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The formula for YPE’s growth has worked well so far. The organization is largely chapter-driven, so local chapters are free to decide how many and what kind of events they will host. This emphasis on local decision-making, combined with the organization’s central tenets of inclusivity, and the fact that energy is a global industry, have led to the organization going worldwide in a relatively short amount of time.

Because the formula has worked so well, Teplitsky says there’s no plan to change it, though he hopes for more global chapters in the near future. There have been events targeting women in the industry, and that might expand as well.

“Oil and gas is maybe the most global industry, and it’s the industry that’s got probably the most important global ramifications and impact,” Teplitsky says. “So anyone who’s a part of this industry is a little bit different, because they’re in kind of this private club...it’s the same when people go to western Siberia, or Kazakhstan.

“It’s just much easier for an energy person to reach out to other energy people in the area, even if those people have a different functional role in the industry. There’s this bond, this global bond.” □