The Ohio shale energy industry is on the verge of a boom, and the Voinovich School of Leadership and Public Affairs at Ohio University has created a supply chain database (a geocoded database that displays an interactive online map) to prepare Ohio companies for the influx of industry needs. The database, which is now online, boosts the competitiveness of Ohio businesses by identifying active and potential shale energy supply companies throughout southern and eastern Ohio.

With assistance from a United States Department of Agriculture Rural Business Enterprise Grant, the Voinovich School has spent the past two years focusing efforts on rural business enhancement programs. This past year, the focus of the project specifically shifted to build an understanding of the business opportunities in the fast-growing shale oil and gas industry in a 12-county region (see map inset). As part of this work, in April, the Voinovich School hosted over 500 leaders in the shale energy industry at the Ohio Shale Energy 2012 conference in Cambridge, Ohio. The conference was meant to educate supply chain players and encourage them to network—in person and by registering in the database. More than 700 businesses—with over half of the companies from the grant’s 12 counties—have been identified and entered into the database. The companies in the database are currently sorted into three categories: manufacturers, operational services (e.g., repair and maintenance, site developers and extractors, fabricators and civil engineers), and ancillary services such as restaurants and hotels. Scott Miller, the director of energy and environmental programs at the Voinovich School, thinks it is important for Ohio businesses to take advantage of the opportunity to be involved with the database. “Suppliers in this sector are constantly trying to find ways to make connections and prove their capabilities. On the other side, large oil and gas firms are trying to shore up their understanding of their Ohio-based supply network. Based upon our conversations with all of these companies we feel that a system like this will help both suppliers and procurement agents reduce transaction times and increase market penetration for Ohio-made products and services,” Miller commented.

Ohio businesses have experience in extraction services, such as timber and coal, but did not retain the associated revenues when those resources disappeared, according to Tony Logan, state director of rural development for the USDA. “If the area can retain a greater portion of the proceeds of the new shale gas play, we can fortify the economy of the area for generations to come,” said Logan.

The next step in this project, involves the Voinovich School and the Ohio Shale Coalition finalizing a partnership to expand the database statewide and gain a greater understanding of the entire shale energy industry in Ohio. Executive Director of the Ohio Shale Coalition Linda Woggon said, “[The] Voinovich School’s Shale Supply Chain Database Project has been very helpful to rural communities in southeastern Ohio by connecting the businesses located there with oil and gas companies who may need their services or products.”

“The Ohio Shale Coalition is excited about partnering with the Voinovich School to develop the next phase of the Shale Supply Chain Database,” added Woggon. The Coalition will have various roles in its partnership with the Voinovich School, including assisting the Voinovich School to refine and build out the database, and marketing it to potential vendors. Working together, the Voinovich School and the Coalition will help provide the resources and training needed by Ohio companies so they can fully capitalize on the shale energy boom.

As the project continues, any interested business is encouraged to take an online survey and register their information into the database at www.ohioshaleenergy.com. Contact: Scott Miller, millersl@ohio.edu, 740-593-0827