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## **2010 Oil and Gas Award for Excellence in Supply Chain Management awarded to Shell**

September 22, 2010

Boston Strategies International (BSI) is pleased to award Shell a 2010 Oil & Gas Award for Supply Chain Management Excellence. The award is being conferred at the annual event of OFS Portal, a not-for-profit data standardization body dedicated to the upstream oil and gas industry.

BSI has conducted an annual in-depth global operations management benchmark study in the oil and gas industry since 2008. This year it screened over 300 candidate operations and supply chain management improvements among National Oil Companies (NOCs), International Oil Companies (IOCs), Equipment Providers, and Service Providers.

Shell won based on its high-performing standardization program, which allowed it to reduce purchase prices by 30% for valves, cut variety by 50%, through use of its extensive Materials and Equipment Standards and Code (MESC) catalog. The catalog, which is based on ISO and IEC standards to ensure interoperability, integrates 370 Design and Engineering Practices (DEPs) that standardize tools and facilities, reducing recurring engineering and design work and consolidating spend on standard items. In addition to reducing purchase cost, the practice also reduces delays due to supplier confusion and costs related to unnecessary rework. Continuous feedback from users and participation from external standards bodies keeps specifications up to date. Shell more than doubled the number of DEPS between 2000 and 2010, and is aiming for a DEP age of 3.5 years.

Alfred Kruijer, Principal Technical Expert Piping & Valves, accepted the award, saying: “The benefits of standardization and interoperability accrue to many parties in the supply chain. Our internal team has been able to achieve truly meaningful results thanks to the efforts of our suppliers and organizations such as ISO. I am proud that our collective effort has been recognized by Boston Strategies International.”

Boston Strategies International ([bostonstrategies.com](http://bostonstrategies.com)), founded in 1998, offers global supply chain consulting, global cost and pricing intelligence, and procurement tools to the oil and gas industry to create global growth opportunities through strategic supply chain management. OFS Portal ([ofsportal.com](http://ofsportal.com)) provides standardized electronic information to B2B trading partners to facilitate eCommerce in upstream oil and gas products and services.

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