

BOSTON STRATEGIES INTERNATIONAL
Global growth. Guaranteed.

Creating global growth opportunities through strategic supply chain management in the process industries.

Oil and Gas Supply Chain Management 2-Day Seminar



www.bostonstrategies.com

1.781.250.8150



David Jacoby

The challenges in supply chain management have never been so urgent...

Poor supply chain management erodes profitability, delays projects, and limits production. Some of the costs recently experienced by many major oil companies have included:

- Supplier price increases above and beyond cost inflation
- Years in queue before complex equipment enters production – plus, significant disparities in lead times and prices between NOCs for similar products
- Lower production rates from outdated drilling, completion, and other technologies
- Shorter equipment life due to unwitting acceptance of refurbished and counterfeit products presented by suppliers as new and original equipment

In addition, the “bullwhip effect” – in which small changes in demand cause oscillating and increasing reverberations in production, capacity, and inventory throughout the supply chain – amounts to more than 10% of the cost of oil. This bullwhip effect has caused four types of economic inefficiency at oil companies and their equipment suppliers:

- Higher prices – NOCs and IOCs paid high prices that were set when markets are overheated and not rolled back when recession hits.
- Excess inventory – Equipment manufacturers held excess inventory during the boom and took a long time to draw it down when the recession hit.
- Excess Capacity – Equipment manufacturers made excessive capacity investments near the peak and suffered a low or negative return on investment on it.
- Unfulfilled Demand – Parts suppliers lost orders that they were not able to fulfill at the peak due to inadequate capacity and long lead times caused by large backlogs.

Best-in-class supply chain management in oil and gas supply chains results in steadier and more profitable capital expansion, which means a higher Return on Assets (ROA). Steadier prices would translate to higher operating profits and lower operating costs. Perhaps most importantly, more stable investment in new technology results in greater oilfield productivity.

This critical workshop illustrates best practices in supply chain management through benchmarks, case studies, and examples.

David Jacoby

President

Boston Strategies International



Workshop Objectives

Boston Strategies International seminars will prepare you to deal with *strategic supply chain challenges* such as *constrained capacity and infrastructure* and *volatile markets*. You will also learn how to make *right decisions* about *which markets to buy from, how to determine the right price to pay, and which benchmarks and targets will provide a competitive edge*. The workshop is designed to:

- Identify high-value supply chain management techniques for capital equipment and critical spares. It addresses offshore and onshore equipment and services related to high-value capital equipment spares (for example, marine services, drilling tools, turbines and parts, generator sets, motors, and high-value electrical equipment).
- Provide case studies and success stories that demonstrate best practice application of supply chain management techniques in this environment.

Day 1, Part 1: STRATEGIC SUPPLY CHAIN MANAGEMENT

Welcome Reception and Continental Breakfast

WHAT EXACTLY IS SUPPLY CHAIN MANAGEMENT? • Essential Definitions • Recent Development of Supply Chain Management Thought: 1990-2008 • Why Software Can't Solve the Problem • The Key Principles of Supply Chain Management • An Executive's Supply Chain Strategy Framework

THE OIL AND GAS SUPPLY CHAIN • The Early Days • 1960s: Optimization • 1970s: Technology • 1980s-1990s: Globalization • 2000s: Power Shift • Leaders and Laggards

WHY SUPPLY CHAIN MANAGEMENT IS CRITICAL FOR THE OIL AND GAS INDUSTRY TODAY • A Competitive Necessity • Getting More Important • The Bullwhip Problem

Coffee Break

THE GOAL • From No Metrics to Too Many Metrics • Economic Value Added(EVA) • Level 1 (CFO-Oriented) Results Metrics • Level 2 (Functional VP-Oriented) Results Metrics • Channel Spanning Performance Measures

WHAT MAKES SUPPLY CHAIN MANAGEMENT STRATEGIC • Defining the Four Generic Supply Chain Strategies • Configuration • Coordination • Improvement • Supply Chain Strategies for Global and Regional Economic Growth • Supply Chain Network Design

Lunch

Register Your Entire Team

To register, visit

www.bostonstrategies.com/seminars, or Fax (1) (781) 465-6069, or call Camila Paz Soldan at (1) (781) 263-7218 to book a reservation.

Day 1, Part 2: BEST-IN-CLASS SUPPLIER AND MATERIALS MANAGEMENT

OUTSOURCING • Which Activities to Outsource and Which to Keep In-house • Examples such as Freight Forwarding, Expediting, and More • Unbundling Transport from The Product Price – Why and How • Terms of Freight

COMBINED PURCHASE AND OPERATING/MAINTENANCE AGREEMENTS • Economies of Scope (multiple products or services from the same provider) • Economies of Scale • Computing an ROI • Go-No-Go decisions • Operating Leases • Maintenance Contracts • Term of Agreement • Clauses and Conditions • “Out” Clauses and Exit Strategies

ARCHITECTING SUPPLIER PARTNERSHIPS • Ownership of the Inventory • Provisioning of Spares • Examples: Vessels, Marine Logistics, Pipeline Repair Services, and More • Rules of Engagement with “Sister” Companies • Transfer Prices • Bidding Rules and Exceptions • Whether a Higher Price is Justifiable for a Sister Company

Coffee Break

STRATEGIC SOURCING • A Proven Process Map • Spend Analysis • Supply Market Analysis • Category Strategies • Standardization and Simplification of Specifications • Managing Sourcing Events • VMI • Examples: Freight Forwarding, Expediting, and More

NEGOTIATION AND PARTNERSHIPS • Forming Partnerships • Buyer vs. Supplier Leverage: Power Plays • Open Book Negotiations • Acceptable Substitutes (e.g., Refurbishment) • Dealing with Core vs. Non-Core Suppliers • Target Pricing • How to Use Market Intelligence • Indexing Prices • Setting Price Premiums for Customized and Expedited Services

SUPPLIER IMPROVEMENT PROGRAMS • Lean (Waste Reduction) • Optimizing Interfaces with Customers and Suppliers • Expectations and Standards for Customers and Suppliers • Consignment and VMI



Day 2: WORLD-CLASS PRODUCTION AND INVENTORY CONTROL PRACTICES

Continental Breakfast

CAPACITY PLANNING • Site Location • Flexible Capacity Models

THROUGHPUT ANALYSIS • Theory of Constraints • Assessing Facility Capacity • Measuring Capacity Utilization • Bottleneck Elimination Procedures • Involving the Work Force

JUST-IN-TIME • Replenishment Mechanisms • Kanban • Integrating S&OP with JIT • Managing Long Supply Chains in a JIT Environment • Batch Pull • Kitting • Raw Materials, WIP, and Finished Goods Order Quantities

OPTIMAL INVENTORY LEVELS AND PLACEMENT • Managing the Interfaces Between Departments such as Maintenance, Assets, Commercial, Inventory, Purchasing, Stores, Logistics, and Inspection • Who Owns the Inventory

SALES AND OPERATIONS PLANNING • Managing the Interfaces Between Departments such as Maintenance, Assets, Commercial

COLLABORATIVE INVENTORY MANAGEMENT • Multi-Echelon Inventory Planning Processes • A Process for Building Trust • Changing the Forecast and the Plan • Information Systems and Support Tools

FORECASTING • Heuristic Methods • Moving Averages • Exponential Smoothing • Trend Analysis • Econometric Models • Delphi Method • Multi-Characteristic Approaches

TRANSPORTATION OPTIMIZATION • Working With 3PLs • Mode Selection • On-Dock Operations • Customs Clearance • Landed Cost

RISK MITIGATION • Supply Chain Risk Factors • 7 Steps to Mitigate Risk • Examples of Good and Bad Risks • Supply Chain Security • Governmental Regulations and Compliance

Coffee Break

TECHNOLOGY STRATEGY • Company Wide Interoperability between ERP and Supply Chain Systems • CAD/CAM • Network Design • SRM • Demand Planning • WMS • CRM • Cost and Pricing • E-Commerce • Best Practices in RFID and Barcodes • IT/EDI/Paperless

TECHNOLOGY ROLL-OUT • Managing Multiple Opco's Each on Different Systems • Adjusting Reorder Quantities as Demand Changes • Tools and Approaches Toward Updating Lead Times and Prices in SCM Systems

Buffet Lunch

Day 3, Part 3: CONTINUOUS IMPROVEMENT

CUSTOMIZING SUPPLY CHAIN PROCESSES FOR INCREASED CUSTOMER VALUE • Customer Profitability Management • How to Stratify Customers • Value Analysis • Customer Knowledge Management • Linking the Customer Data To All Transactions • Available to Promise • Personal Interactions

CONTINUOUS INNOVATION • Key Success Factors of an Innovation-Driven Supply Chain Strategy • ROI Assessment of Innovation • Performance Advantages of an Innovation Supply Chain Strategy • Oil and Gas Supply Chain Best Practice and Benchmark • Supplier Specific Benchmarks • Technical and Commercial Evaluation • Channel Performance Measures • Vendor performance scorecard • Continuous Market Feedback Loop At Customer Touch-Points • Early Supplier Involvement • Early Customer Involvement

SUPPLY MARKET INTELLIGENCE • Making the Business Case for a Market Intelligence Program • Negotiating with Suppliers Based on External Information • Monitoring Demand and Supply Conditions • Negotiating with Suppliers Based on External Information • Monitoring Core Suppliers' Performance

ORGANIZING, TRAINING, AND DEVELOPING SCM STAFF • Cross-functional project management • Change management • Training • Inter-organizational psychology

MEASURING SUCCESS • Key Process Metrics • Additional Detailed Process Metrics • How Much Influence Should End-Users Have on the Vendor Performance Scorecard • How much Weight Price Should Have in the Overall Evaluation • Best-in-Class Processes for Technical vs. Commercial Evaluation of Bids • Structuring the Bid Process to Identify and Foster Creativity, Innovation, New Ideas and New Technologies

BENCHMARKING TOWARD BEST PRACTICE AND PERFORMANCE • Where to Get Competitive Benchmarks • Where to Get Supplier-Specific Benchmarks • Setting and Adjusting Targets

Closing Reception

The Best Way to Train Your Entire Team

Boston Strategies International seminars are specially designed for your company, and presented at your facility worldwide. Seminar time: First Day: 8:15 am registration; Seminar, 8:30 am to 5:30 pm. Second Day: 8:15 am to 4:45 pm.

To register, visit www.bostonstrategies.com, or Fax (1) (781) 465-6069, or call Camila Paz Soldan at (1) (781) 263-7218.

Boston Strategies International

Oil and Gas Supply Chain Management

2-Day Seminar

Register via e-mail: training@bostonstrategies.com

or Fax: 1-781-465-6069

or Call: 1-781-250-8150

or Mail: Boston Strategies International, 445 Washington Street
Wellesley, MA 02482 USA

We will send confirmation within 24 hours. Fee includes: Tuition • Complementary CD series on sourcing and supply chain management • David Jacoby's book (*The Guide to Supply Chain Management*) • Workbook • Certificate of Completion

Before June 1: \$1200; June 1-July 1: \$1400; July 1-July 15: \$1600. Includes buffet lunch on both days, and refreshments during breaks. Travel and direct expenses are additional. 10% discount for 5 or more registrations from the same company at the same time. For discounts, all individuals must register and pay at the same time.) Fee includes \$350 non-refundable registration charge per person.

Price may be higher and cancellation policy may be different for seminars held in different countries. Call for current price. Add local tax where applicable.

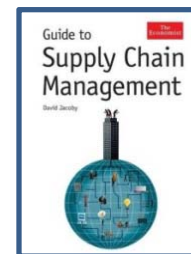
US TAX DEDUCTION OF EXPENSES: US tax law permits an income tax deduction educational expenses (including registration fees, travel, meals and lodging) undertaken to maintain and improve professional skills.

The Guide to Supply Chain Management

Written by David Jacoby

Published by *The Economist*

Sold through booksellers everywhere



"An excellent guide and, a must read not only for C-level managers but also for inclusion in curricula in business studies... brilliant in explaining the myths and realities of the various elements that are critical components of the supply chain."-- **Ram Menen, Senior Vice President, Emirates Airlines**

"An essential tool for C-level management and their senior managers. It is clear, balanced in its objectivity and useful for achieving rapid results."-- **Joseph Guerrisi, Vice President Marketing, UPS**

"A strategic breath of fresh air for executives who are tired of tactical how-to books on supply chain management. It provides simple, logical guidance on how companies should think about the people, processes and infrastructure they put in place to enable the supply chains that will deliver their future."-- **Chris Cowger, Vice President of Global Consumer Operations and Planning, Dell**

"A pragmatic approach for turning supply chain into a strategic differentiator, along with a treasure chest of examples showing how successful companies have done it." -- **Karen Weinstein-Millson, Vice President Global Sourcing, Boston Scientific**

"A real-world look at how leading companies are putting supply chain management into practice for proven competitive advantage. This guide definitely belongs in your business library."-- **Frank Quinn, Editorial Director, Supply Chain Management Review**

Additional Workshops Can Be Co-Located with Other BSI Scheduled Events as Needed

UNITED STATES

ATLANTA, GA

- November 24-25

BOSTON, MA

- May 18-19, May 26-27

HOUSTON, TX

- March 16-17, May 3-4,

- October 4-5

- November 11-12

NEW ORLEANS, LA

- February 10-11

ORLANDO, FL

- March 9-10, 23-24,

- December 14-15

PHILADELPHIA, PA

- November 1-2

PHOENIX, AZ

- April 22-23, November 11-12

PROVIDENCE, RI

- June 16-17

SAN ANTONIO, TX

- March 22-23, May 19-20

CHINA

- Beijing March 22-23

GERMANY

- Hannover, March 22-23

- Berlin, June 23-24

ITALY

- Florence, September 20-21

KUWAIT

- Kuwait City, July 27-28

NETHERLANDS

- Amsterdam, June 8-9

NORWAY

- Stavanger, June 28-29

OMAN

- Muscat, November 9-10

QATAR

- Doha, March 1-2

SAUDI ARABIA

- July 13-14

UAE

- Dubai, January 17-18, June 27-28

- Abu Dhabi, November 7-8

- Ras al Kamah, December 12-13



Other BSI Workshops & Seminars

The Basics

How to Apply the 4 Leverage Strategies

How to Benchmark Your Sourcing Performance

How to Leverage Your Company's Scale

Financial and Quantitative Skills

How to Analyze Supplier Costs

How to Qualify Potential Strategic Suppliers

How to Determine Supplier Splits, Terms, and Volume

Commitments

Risk Management Strategies & Techniques

How to Create a High-Performing Portfolio of Suppliers

How to Make the Most of Single and Sole Source

Situations

How to Hedge Against Price, Currency and Country

Risk



Lead with confidence.

Ensure stakeholder confidence in growth potential and strategies. Avoid risks and costly mistakes. Achieve market leadership through outstanding supply chain execution. Participate in this seminar and benefit from Boston Strategies International's definitive leadership in supply chain management thought, guaranteed financial payback, and proven quality at major clients worldwide.

Guaranteed C-Level Benefits

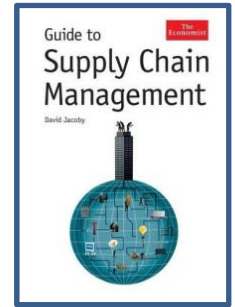
1% higher Asset Turnover Rate
2% increase in Net Margin Rate

3% increase in Gross Margin Rate
4% faster Revenue Growth Rate

Yours FREE When You Attend the Seminar

This comprehensive set of reference materials is not only a constant reminder of every thing you learned, but includes additional topics not covered in the two-day program.

Included in this package is David Jacoby's most recent book *Guide to Supply Chain Management*, the most definitive, understandable and useful book on supply chain management ever written. No other seminar offers such valuable program guidance. These reference materials ensure that you can keep the course working for you in the months and years ahead.



All seminars are presented by Boston Strategies International, Inc.



Your Instructor, David Jacoby

The Master of Supply Chain Management

David Jacoby has been consulting to global multinational companies on supply chain strategy and performance improvement for over 20 years. He is the President of Boston Strategies International, a firm that provides global strategy consulting, cost and intelligence, and market data to help manufacturers achieve competitive advantage through supply chain management. Previously he was based in Brazil, Hong Kong and France, where he consulted on strategic sourcing, purchasing and outsourcing, shipping and logistics, acquisitions, strategic alliances, capital investments, equipment, and infrastructure.

He wrote the Economist Guide to Supply Chain Management, which was published by The Economist and Bloomberg Press in 2009, and regularly contributes to journals such as Supply Chain Management Review and Supply Chain Quarterly. He is a frequent speaker on global trade and supply chain economics at conferences worldwide, and in the course of his career he has served as a lecturer at Boston University, a contributing editor at the Economist Intelligence Unit, and an economist for the World Bank. He holds or has recently held board positions and other leadership roles at APICS (the Association for Operations Management), the Council of Supply Chain Management Professionals, the Institute for Supply Management (ISM) and the International Supply Chain Education Alliance (ISCEA) as a member of its Ptak Prize Selection Committee.

He holds an MBA from the Wharton School, a Masters in International Business from the Lauder Institute and a Bachelor of Science in Finance and Economics from the University of Pennsylvania. He is also a Certified Fellow in Production and Inventory Management (CFPIM), Certified in Supply Chain Management (CSCP), Certified in Integrated Resource Management (CIRM), Certified in Purchasing Management (Lifetime C.P.M.), and Certified in Transportation and Logistics (CTL).

David Jacoby's Recent International Executive-Level Training And Leadership Presentations

Keynote Presentation, Supply Chain Management: Realizing the Potential, Third Annual Supply Chain Management Symposium, Khobar, Saudi Arabia • Panel of Experts Webcast, 2009 Rate Outlook, Logistics Management Magazine • Supply Chain: From Concept to Cash, 4th Trans Middle East, Dubai, UAE • Supply Chain Organization Development, Southwest Supply Management Conference, Institute for Supply Management (ISM), Dallas, TX • Keynote Presentation, Strategically Sourcing Transportation: Competition vs. Cooperation, Southwest Supply Management Conference, Institute for Supply Management (ISM), Dallas, TX • Ports Can Increase Margins Through End-to-End Supply Chain Brilliance, PorTech Asia 2008, Tianjin, China • Global Logistics: The Next Generation, 2008 APICS International Conference and Expo, Kansas City, Missouri • Business Forecasting and Planning Excellence Conference, Las Vegas, Nevada. (Chairperson) • 2008 Mid-Year Rate Outlook—Uncertainty Persists, 2008 Mid-Year Rate Outlook Webcast, Logistics Management Magazine • Global Economic Trends and Development in Containerised Trade Growth, 6th ASEAN Ports and Shipping, Ho Chi Minh City, Vietnam • RFID in Ground Handling, Transport IQ (IQPC), Ground Handling Excellence in Passenger Services Conference, Kuala Lumpur, Malaysia • RFID and Security, International Air Transport Association (IATA), World Cargo Symposium, Rome, Italy • Intermodal, Infrastructure Investment and Financing, Transport Events, 3rd Trans Middle East Exhibition, Cairo, Egypt • RFID's Impact on Privacy and Security, CILIP, RFID in Libraries Conference, London • Latest Developments in Supply Chain and Global Logistics Industry, PARCEL Magazine, Parcel Shipping and Distribution Forum, Chicago IL • Energy Prices and the Supply Chain: The Outlook of Fuel Surcharges, Institute of Supply Chain Management (ISM), Minneapolis MN • Multimodal Synergy – Integrated Capability in Logistics and Transportation, 4th Thai Ports and Shipping Exhibition and Conference, Bangkok, Thailand • Energy Prices and the Supply Chain: Charting a New Course, IPC, Midwest Manufacturing Conference and Exhibition, Rosemont, IL • Sourcing from China, Journal of Commerce, 3rd Annual China Trade & Logistics Conference, Savannah GA • Budgeting and Forecasting in a Highly Volatile Environment, Institute of Business Forecasting and Planning (IBF), Demand Planning and Forecasting: Best Practices Conference, New Orleans LA • Low-Cost Country Sourcing: Sweeping Up, National Association of Purchasing Management, Concord NH • Courting the Consumer: Creating Dynamic Brands in Retail and Consumer Goods, Vendor Compliance Federation Conference, Marco Island FL • The Impact of Low-Cost Country Sourcing on the Chemicals Supply Chain, Institute of Supply Chain Management (ISM) Conference, St. Augustine FL • Energy Prices Reshaping the Supply Chain: Charting a New Course?, APICS Providence and Purchasing Managers' Association of Rhode Island (PMARI), Warwick, RI • Global Trade and Technology: The Crossroads, Beverly Chamber of Commerce, Beverly MA • RFID: Revolutionizing Baggage Handling, 8th Annual Ground Handling International Conference, Monaco • Supply Chain Benefits of Transportation Infrastructure Improvements, Transportation Research Board (TRB), Conference on Transportation and Economic Development, Little Rock AK • "Radio Frequency Identification (RFID) Comes of Age," Dallas, TX • "Creating Dynamic Brands in Retail/Consumer Goods," San Francisco CA