



## “SUPPLY RISK ANALYSIS AND MITIGATION” CASE STUDY

**"Your assessments were spot on."**

– Capital Acquisition Director

**"Exactly what we were looking for."**

– Global Procurement Policy Coordinator

### ABOUT THE CLIENT

Industry	Oil and Gas
Revenues	Over \$100 billion
Employees	Tens of thousands
Location	Middle East
BSI Service or Solution	Supply Risk Mitigation Service

#### Key Challenges

- Supplier price increases above cost inflation
- Long lead time complex equipment enters production – plus, significant disparities in lead times and prices between buyers for similar products
- Lower production rates from outdated drilling, completion, and other technologies
- Shorter equipment life due to counterfeit products

#### Why BSI was Selected

- “Supply chain economists”
- Trusted economic forecasting model
- Fact-based, numbers-driven analysis
- Leading edge analytics
- Research/consulting synergies
- Thought leadership
- Clear, simple, and objective
- Proven accuracy and reliability
- Over 15 years of repeat engagements
- Baselines and targets, measurable improvement every time

#### Project Scope

- 50 sourced categories in 10 commodity groups
- Highly complex engineered equipment
- Global supply options

#### Project Approach

- Economic modeling and forecasting
- Primary and secondary market intelligence
- Sourcing recommendations
- Quarterly reports
- Online savings calculations and tools

#### Operational Benefits Realized

- Quicker delivery of equipment by identifying pockets of supplier capacity
- Lower inventory through local sourcing and lead time reduction
- Deployment of newer technologies

#### Financial Benefits Realized

- 30%+ higher profit from more capacity and from new capacity available sooner
- 5% lower upfront cost of major capital investments, while market prices rose 10% per year
- 2% less inventory holding cost
- 1% lower operating cost