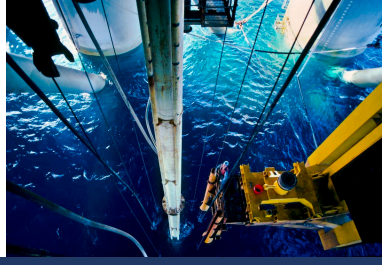
Boston Strategies International
Global growth. Guaranteed.

CASE STUDY #450



Drilling Supply Market Analysis & Outlook

"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	Hundreds of billions of dollars
Employees	Tens of thousands
Location	Middle East
BSI Product	Market Outlook

Key Challenges
- Supplier price increases above cost inflation
- Long lead time complex equipment and services
- Significant disparities in lead times and prices between buyers for similar 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

Project Scope
- Tubulars
- Fluids
- Downhole Tools
- Bits
- Surface Equipment
- BOPs
- O&G Production Chemicals

Project Approach
- Economic modeling and forecasting
- Primary and secondary market intelligence
- Sourcing recommendations
- Quarterly reports with custom XML delivery format
- Savings calculation tools

Financial Benefits Realized
Based on 18-month period in 2016:
- $300-$600 million of potential benefits identified, mostly through higher production yield (some of which required investment to capture)
- $20-$50 million of potential hard (cash) savings through lower upfront cost

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

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