



## The Art of Oil & Gas Procurement

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Procurement

Supply Chain

Distribution

Time to Market

# The Art of Oil & Gas Procurement

## Introduction:

Simply being as good at Oil & gas procurement as your competition, is not acceptable being ahead of the game must be the desire and aim, in what can be a demanding and specialized vertical. The skill of your course leader is to raise uncomfortable challenges for procurement and supply chain specialists and persuade them that they must seek continuous improvement and innovation. It is the Art of Buying.

This highly interactive course will include presentations, detailed case studies, group exercises and discussion to enable delegates to appreciate the full value that can be derived from best in class procurement. Developing innovative Oil & Gas procurement and supply chain strategies will enable and equip you to stay ahead in an ever changing and competitive market.

This course explores essential facets of the Art of Buying in Oil & Gas Procurement to ensure competitive advantage for you and your organization. The course begins with consideration of 'world class' expertise. It then moves to consider tools for managing risk in procurement and critical supply chains and the key questions of your contractors' Contractual obligations and challenging their pricing decisions.

From there it proceeds to negotiation techniques, essential to take the lead in Oil Gas procurement, as well as managing (and resolving) disputes. The course further explores innovative actions that you can take immediately after the course to drive change management behavior.

## **Who should attend?**

Leaders of Procurement, Supply Chain Management, Contracts, Projects, Sourcing professionals from Oil and Gas Operating companies and related stakeholders such as contractors, suppliers, service providers, industry governance roles.

## **Course Objectives:**

**By the end of this course, delegates will be able to:**

- Challenge traditional Oil & Gas Procurement behavior
- Inculcate a desire to lead and implement change
- Demonstrate, by example, that change is possible, despite many obstacles
- Examine relevant Oil & Gas Procurement knowledge and skills to enable change
- Encourage active debate on salient points

## **Course Outline:**

**What is world class Oil & Gas Procurement and Supply Chain Expertise?**

- Leadership Competencies in O&G Procurement
- Aggressive cost reduction practices
- Relationship management – suppliers and other stakeholders
- Using international supply chains for competitive advantage
- Risk mitigation strategies (contributing to the Corporate Risk Register)
- Characteristics of O&G supply markets and performance improvement metrics

## **The Contractors' Contractual Obligations – who determines these?**

- Obligations explored; quality, cost, timely delivery, commissioning and through-life support
- Contracting 'problem-solving' evidenced based on O&G specific examples
- Clear demonstration of how to avoid disputes
- Analyze the sources of grievance and how to maturely isolate the issues
- Dispute resolution – including using O&G examples in varied jurisdictions

## **Challenging the Contractor's Pricing Decision – and Negotiate!**

- Price isn't everything but is it a business consideration
- Using actual cost models, including O&G to highlight how costs can be scrutinized and negotiated
- Facets of costs explored will include material, labor, overheads, profit, contingency and through-life support
- Enhancing negotiation competencies when engaging with suppliers to achieve high quality outcomes
- Critical skills explored include due diligence, supplier profiling, influencing skills and closing the deal

## **Innovative Actions for Procurement and Supply Chain Specialists**

- Explore world-class behavior in a variety of sectors – seeking to identify transferability to O&G Procurement
- Sectors will include nuclear, defense, aerospace, IT and automotive

- Tools considered will include open book, supply chain audits, KPIs, sustainability, long-term partnering, incentivized procurement and third-Party procurement
- Measurement, analysis, and knowledge management of innovations will be presented and discussed

### **Change Management Behavior and Actions**

- Motivate participants to develop an action plan to implement on return to their business
- Explore change management skills, including procurement team management, stakeholder engagement, and objective setting and delivering tangible business benefit
- Each participant will complete a Personal Assessment to evaluate their current knowledge and skills in O&G procurement
- Based on the outcomes a set of personalized learning steps will be developed – adding value beyond the course