

BOSTON STRATEGIES INTERNATIONAL

We are pleased to announce that Chevron, Shell, and Baker Hughes have won BSI's 2010 Oil and Gas Supply Chain Excellence Awards!

The selection was made after BSI screened over 300 candidate operations and supply chain management improvements among National Oil Companies (NOCs), International Oil Companies (IOCs), Equipment Providers, and Service Providers.

Chevron Corporation (USA) won for its effective in extending its internal Lean Six Sigma techniques to its suppliers. Lean Sigma, which officially started as a grass roots initiative in year 2000, achieved a validated financial benefit of \$250 million in 2008, \$400 million in 2009 and is projected to exceed \$500m in 2010.

Shell won based on its high-performing standardization program, which allowed it to reduce purchase prices by up to 30% and inventories by more than 50% through use of its extensive Materials and Equipment Standards and Code (MESCC) catalog.

Baker Hughes won the award in the Equipment Provider category based on its supply chain transformation strategy and year-one achievements: the group has publically declared \$100m in volume adjusted cost reduction per year for the next three

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years.

The awards were conferred at the annual event of OFS Portal, a not-for-profit data standardization body dedicated to the upstream oil and gas industry.



Click here for the full press releases for [Shell](#), [Chevron](#), or [Baker Hughes](#).

Click [here](#) for information on the 2011 awards.

Oil & Gas Supply Chain Workshop

Poor supply chain management erodes profitability, delays projects, and limits production. Some of the costs recently experienced by major oil companies have included: Supplier price increases above and beyond cost inflation; years in queue before complex equipment enters production; wide disparities in lead time and prices between major buyers; lower production rates from older technologies; and shorter equipment life due to unreliable component outsourcing.

Learn how to minimize these cost by:

- Organizing, Training, and Developing SCM Staff: Measuring Success, and Benchmarking Toward Best Practice and Performance.
- Forming Core Supplier Relationships: Best-In-Class Supplier Management: Outsourcing, Forming Combined Purchase and Operating/Maintenance Agreements, Architecting Supplier Partnerships, Strategic Sourcing, Negotiation, and Supplier Improvement Programs
- Deploying World-Class Production and Inventory Control Methods and Technologies: Capacity Planning, Throughput Analysis, Just-in-Time Materials Management, Optimal Inventory Levels and Placement, Sales and Operations

Planning, Collaborative Inventory Management, Forecasting, Transportation Optimization, and Risk Mitigation

- Benchmarking and Continuously Improving: Customizing Supply Chain Processes for Increased Customer Value, Continuous Innovation, Supply Market Intelligence.

Click [here](#) for more information and [here](#) to register for the Oil and Gas Supply Chain Workshop.

Research & Analysis

- [Leading Supply Chain Transformations with Credibility](#)
- [Green Supply Chains by 2020](#)
- [The Role of the Private Sector in Mediterranean Port Expansion](#)
- [2010 Transport Rate Outlook: The Fundamentals](#)

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