

Reducing Vessel Downtime in Oil & Gas Services Industry

About the company

The client is one of the world's largest Oil & Gas services company with 350 vessels deployed globally across 50 ports. The client was servicing spare parts requirements of its vessels through 20 stocking points globally with a mix of owned and VMI warehouses.

Business Objectives

Reduce Vessel downtime by improving parts availability, while optimizing total supply chain costs and standardizing processes across the organization;

Business Situation

- Uniqueness of the vessels resulted in uniqueness of parts as well
- Most critical parts had a long lead time that were resulting in longer vessel downtimes
- To avoid the costly downtime, parts were ordered on an urgent basis, leading to High Cost
- Supply Chain Organization was not well defined resulting in field teams managing supply chain planning and execution

The solution

- As-Is Process Mapping and Gap Analysis covering
 - Procurement & Material Management
 - Spare Parts Inventory Planning & Management
 - Order to Delivery Cycle
- Inventory Policy Design
 - Multi-dimensional Categorization of parts
 - Stocking policy decision strategy
 - Review Service Levels
- Warehouse Process Design and Standardization
 - Define optimum material flow for internal movements
 - Define warehouse processes and suggest improvements on man, material and information flows

Business Benefits

- Standardization and Institutionalization of Supply Chain planning and execution practices
- Improved categorization of parts brought focus on materials for which inventory norms were defined scientifically – leading to reduced stock outs of parts
- Synergetic definition of roles in the Supply Chain Organization reduced lead times