# GETTING THE BASICS RIGHT

ENHANCING SUPPLY CHAIN AND LOGISTICS FOR SUCCESS IN THE OIL AND GAS INDUSTRY







Akrom is an engineering consulting company supporting diverse industries, including Energy, with a team of Industrial Engineering consultants with expertise in Supply Chain & Logistics, cost and resources estimation, process evaluation and streamlining to deliver tailored solutions in alignment with the client's strategic objectives.

### **OUR TEAM**



Jose has over 35 years of professional experience at operational and strategic level, designing, developing, and successfully implementing transformational business systems delivering tangible and sustainable productivity gains in Operations, Maintenance & Reliability, Supply Chain & Logistics, Finance Processes, Contract & Procurement, Project Management, and Technology.



Gonzalo holds a master's degree in industrial engineering and has a comprehensive understanding of supply chain disciplines, data science, data analysis, and business intelligence with a primary focus on optimizing processes and operations. He has demonstrated proven success in developing and executing multiple projects in multiple Australian top-tier Energy companies.



#### THE CLIENT

Australian Energy exploration and production company that has made significant contributions to the country's energy sector. It is one of the largest Australian independent energy producers, with a focus on exploration, development, and production of hydrocarbons.

The company operates with an extensive geographical presence and a diverse portfolio of assets across multiple basins in Australia and New Zealand.

Overall, their extensive experience, technical capabilities, and dedication to sustainable practices have positioned it as a leading force in the Australian Energy industry.

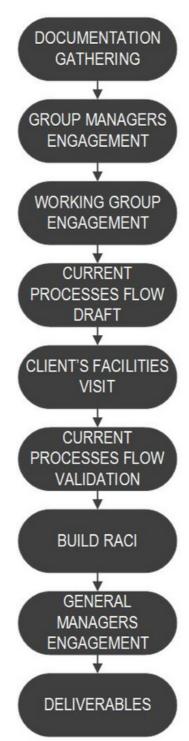
## **PURPOSE**

The client required to provide a comprehensive review of the current Supply Chain and Logistics processes, identify areas for improvement, and develop recommendations to standarise and optimise the supply chain and logistics operations across their portfolio.

An efficient supply chain and logistics function is crucial in the Energy industry, ensuring timely delivery of resources, optimizing inventory control, enhancing operational efficiency, adapting to market demands, and supporting safety and environmental requirements. It maximizes productivity and contributes to the industry's overall success.









#### **PROCESS FLOWS**

To build the process flows, we conducted multiple interviews with the resources directly responsible for performing the client's supply chain and logistics processes, that allowed us to gather valuable insights and firsthand knowledge about the operations. Additionally, we comprehensively analysed key activities including procurement, inventory management, transportation, and warehousing. By examining each activity in detail, we assessed their functionality and identified areas for improvement. This thorough analysis formed the foundation for developing detailed process flows that outlined the sequential steps, interactions, and dependencies within the supply chain and logistics function.

The process flows visually represented the end-to-end journey of materials and information, providing a clear understanding of the current as-is processes. By incorporating the insights from interviews and visualizing the processes, we gained a deep comprehension of the existing operations and identified specific areas where enhancements and optimizations could be implemented to improve overall efficiency and effectiveness.

## **ISSUES SUMMARY**

Following the assessment, an issues summary was developed, categorising and highlighting areas of concern within the company's Supply Chain and Logistics function. The summary serves to enhance visibility and highlight opportunities for improvement. By classifying the issues based on their respective categories and areas, the organization gains a clearer awareness of the specific challenges it faces. This allows for focused efforts to address these issues and implement targeted improvements that will enhance the overall efficiency and effectiveness of the supply chain operations.





#### HIGH LEVEL FEEDBACK FROM KEY STAKEHOLDERS

We conducted interviews with General Managers to gather their valuable insights and feedback. The feedback received was thoroughly analysed and synthesized into a high-level summary, presenting the perspectives of these key stakeholders. This high-level feedback from the General Managers provides an overview of their input, ensuring their viewpoints and experiences are considered in the assessment.

By incorporating the feedback from these influential stakeholders, we were able to capture a holistic understanding of the supply chain and logistics function, further enhancing the overall assessment.

#### RECOMMENDATIONS AND STRATEGY DEPLOYMENT

Based on the assessment findings, a comprehensive list of recommendations has been developed to enhance the supply chain and logistics function. These recommendations target the identified inefficiencies and areas for improvement across procurement, inventory management, transportation, and warehousing. To ensure effective implementation, a strategy deployment plan has been devised.

This plan prioritises the recommendations based on their potential impact and feasibility, taking into account factors such as benefits, risks, and resource requirements. It outlines clear objectives, establishes key performance indicators (KPIs), assigns responsible parties, and sets milestones. Regular monitoring and evaluation will be conducted to track progress and measure the impact of the implemented changes.

By aligning the recommendations with the organization's broader strategic goals, the strategy deployment plan ensures that the supply chain and logistics improvements contribute to the overall success of the company. Through this approach, the organization can achieve enhanced operational efficiency, cost savings, and improved customer satisfaction while maintaining alignment with its strategic objectives.





The supply chain and logistics assessment has provided valuable insights into the current state of our client's operations. By engaging with both the "doers" directly involved in the processes and the General Managers for a holistic view, we have gained a comprehensive understanding of the challenges and opportunities within the supply chain and logistics function. Through a thorough examination of activities, systems, and resources, we have identified significant issues that need to be addressed.

The recommendations and strategy deployment plan offered a roadmap for improvement, enabling our client to optimise their supply chain and logistics capabilities. By implementing these measures, the organization is well-positioned to address the identified issues and drive positive change, resulting in enhanced operational performance and increased overall efficiency.

## **CLIENT'S FEEDBACK**

"Akrom delivered a comprehensive mapping of our SC&L processes as per our business requirements on time and budget. Their insightful work on the 'as is' assessment has provided greater transparency and identified opportunities to support decision-making. A commendable effort supporting our business in sustainable growth within SC&L function."

**Client's Group Maintenance and Reliability Engineer** 

Akrom Pty Ltd. Perth, Australia www.akrom.com.au

