

# 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 specialised vertical – especially during the current economic downturn. The Art of Oil and Gas Procurement training 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.

## PROGRAMME OBJECTIVES

- Challenge traditional Oil & Gas Procurement behaviour
- Instill 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 – learning and sharing from your peers

## WHO SHOULD ATTEND?

- Leaders of Procurement, Supply Chain Management, Contracts, Projects, Sourcing professionals from Oil & Gas Operating companies and related stakeholders (contractors, suppliers, service providers, industry governance roles) including:
  - Engineering
  - Projects
  - Construction
  - Tenders
  - Contracts
  - Buying
  - Purchasing
  - Procurement
  - Commercial
  - Finance
  - Supply planners and scheduling professionals
  - Government regulators
  - Auditing personnel
  - Compliance officers
  - Equity analyst and Bankers

## TRAINING METHODOLOGY

- This highly interactive 5-day training course will include presentations, detailed case studies, group exercises and discussion to enable participants 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.

## PROGRAMME SUMMARY

- This Oil & Gas Procurement training course explores essential facets of the Art of Buying in Oil & Gas Procurement to ensure competitive advantage for you and your organisation. The training 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 training course further explores innovative actions that you can take immediately after the training course – against the backcloth of the current economic downturn- to drive change management behaviour.

## PROGRAM OUTLINE

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

- Leadership Competencies in Oil & Gas 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 Oil & Gas 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 Oil & Gas specific examples
- Clear demonstration of how to avoid disputes
- Analyse the sources of grievance and how to maturely isolate the issues
- Dispute resolution – including using Oil & Gas examples in varied jurisdictions
- Continuous improvement? Support our cost down programme!

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

- A refresher on international contractor's pricing strategies
- Price isn't everything but is it a business consideration
- Using actual cost models, including Oil & Gas to highlight how costs can be scrutinized and negotiated
- Facets of costs explored will include material, labour, overheads, profit, contingency and through-life support
- Enhancing negotiation competencies when engaging with suppliers to achieve high quality outcomes

## Innovative Actions for Procurement and Supply Chain Specialists

- The role and value of procurement and supply chain specialists to driving innovation in organisations
- Explore world-class behaviour in a variety of sectors – seeking to identify transferability to Oil & Gas Procurement
- Sectors will include nuclear, defence, aerospace, IT and automotive
- Tools considered will include open book, supply chain audits, KPIs, sustainability, long-term partnering, incentivised procurement and third-Party procurement
- Measurement, analysis, and knowledge management of innovations will be presented and discussed
- The importance of communication skills: negotiation and influencing

## Change Management Behaviour and Actions

- Consider the Art of Oil & Gas procurement in the context of the current economic downturn
- Motivate participants to develop an action plan to implement on return to their business
- Explore change management skills, including procurement team management, stakeholder engagement, objective setting and delivering tangible business benefit
- Each participant will complete a Personal Assessment to evaluate their current knowledge and skills in Oil & Gas procurement
- Based on the outcomes a set of personalised learning steps will be developed – adding value beyond the programme
- Review and Summary
- Programme highlights and final observations