



PetroSkills[®]

2016 Procurement/Supply Chain Management Training Guide

OGCI[®]

John M. Campbell

RDC



Procurement / Supply Chain Management

Course Progression Matrix

Procurement/Supply Chain Management activities support all segments of the value chain in the oil and gas industry, from Exploration and Production to Refining and Marketing. Ensuring that the right materials and services are at the right place at the right time can have a positive impact on project success.

The following instructors have been selected and approved by the PetroSkills Curriculum Network:

MR. ROBI BENDORF MR. RONN WILLIAMSON
MR. DAVID TENHOOR

Contracts and Tenders Fundamentals – SC-41

FOUNDATION

This three day course is designed to help companies award the right contracts to the best providers. Contracting involves many roles that must work together to negotiate, document, and ensure a reliable supply of goods and services for capital projects and ongoing operations. Everyone involved in contracting with suppliers and service providers must understand the entire process, the keys to success, and what is required of their role if contracts are to be effective in managing supply risks. Materials and exercises in this course are specifically built around oil and gas industry issues.

DESIGNED FOR

Individuals involved in any aspect of sourcing, tendering, selecting, forming, and executing contracts with suppliers of goods and services to the oil and gas industry. Included are project technical roles such as facilities engineers, drilling engineers, project engineers, commissioning engineers, contracts engineers, and planning engineers.

YOU WILL LEARN

- How to better manage project and legal risks with the contracting process
- How to successfully manage disputes and contract performance issues
- What is required in a successful tender package
- How to identify the appropriate contract price strategy to minimize financial risks and contract costs
- The difference between cost and price analysis and how to use each technique to evaluate a proposal
- Appropriate commercial and legal contract terms and conditions

COURSE CONTENT

Overview of the contracting process • Key issues in forming a contract in the oil and gas industry • Establishing risk management priorities throughout the contracting process • The legal environment and best use of legal counsel in contracting • Avoiding and managing contract disputes in a challenging industry • The tendering process and key documents in the tender package • Buyer and seller pricing objectives to consider when tendering • Tools used in tendering to address financial key risks • Types of contracts and examples of industry applications • Using economic price adjustment clauses in lump sum agreements • Bid evaluation and award considerations including price/cost analysis • Using a formal contract change control process

Effective Materials Management – SC-42

FOUNDATION

This three day course covers practical considerations essential to achieve major improvements in planning, buying, storing, and disposing of the vast array of materials and spare parts needed in the oil and gas industry. Evolving best practices by major oil and gas companies are explored under three inter-related modules—inventory management, warehousing, and investment recovery.

DESIGNED FOR

Professional and management personnel who have responsibility for materials, spare parts, and supplies needed to support any refinery, gas plant, onshore/offshore production, or other industry operations.

YOU WILL LEARN

- How to provide better customer service for long lead or critical materials and spare parts essential to the success of any well field operation, offshore platform, refinery, gas plant, or chemical processing facility
- How to establish the best methods of inventory analysis and create performance measures for min/max and order point systems
- How to use supplier stocking programs, consigned inventory, and integrated supply agreements
- How inventory systems use forecasting techniques and what can be done to improve them
- How to improve warehousing efficiency, layout, and space utilization for better inventory management
- How to improve inventory record accuracy and physical control of materials to lower inventory levels and increase space utilization
- Best practices used to manage surplus or inactive assets and increase investment recovery dollars

COURSE CONTENT

Setting comprehensive inventory goals and objectives • Understanding carrying costs and economic order quantity theory • Improving material identification and coding • Segmenting inventory for analysis • Using formal procedures for making the decision to stock • Determining safety stock levels and order points • Improving min/max systems and settings • Understanding and using material forecasts • Establishing a warehouse scorecard • Creating best practices in the physical control of materials • Measuring record accuracy and improving cycle counting systems • Increasing the use of warehouse technologies • Improving warehouse safety and security • Preventing and reducing surplus materials • Understanding Investment recovery techniques • Using the disposition value chain for investment recovery

Inside Procurement in Oil and Gas – SC-61

INTERMEDIATE

This course will expand the industry understanding of supply chain professionals and increase their value added in a global, fast changing environment. Participants will learn what each industry segment requires from procurement and be given insights to maximize value delivery and increase their contribution. The course includes an online, interactive forum with the instructor, and pre-read materials designed to familiarize course attendees with relevant issues. Attendees will leave better prepared to create and support procurement strategies that meet stakeholder needs, whether for projects or operations support.

DESIGNED FOR

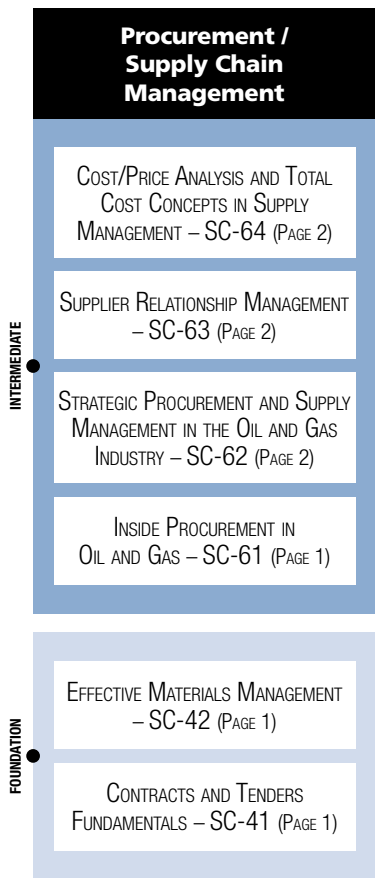
Supply chain professionals with 2-7 years' experience either inside or outside the oil and gas industry. The course is for anyone who needs a better understanding of procurement value creation in the oil and gas industry and includes buyers, procurement specialists, logistics specialists, business analysts, team leaders, project managers, commodity managers, materials managers, and new sourcing specialists or category managers.

YOU WILL LEARN

- How industry is structured, including host country and strategic relationships
- Business drivers and interface issues to be supported by procurement
- The role of industry economics in dictating procurement good practices in cost management
- Industry global compliance needs and how procurement can add value
- How the industry is modeled in the E&P (upstream), midstream, and downstream value chains
- The E&P Asset Management Cycle and Total Cost of Ownership concepts
- Characteristics of supply markets to oil and gas and the emphasis on market intelligence practices and managing supply risks
- What constitutes effective procurement/supply chain metrics for performance improvement
- Procurement challenges unique to the industry

COURSE CONTENT

Industry overview for procurement including host country and strategic relationships • Key business drivers and interface issues between projects (CAPEX) and operations (OPEX) • Procurement's role in oil and gas value chain management – upstream, midstream, and downstream • E&P asset management cycle and total cost of ownership • Economics of oil and gas that drive procurement value creation • Industry regulatory and contractor safety compliance issues • Industry market intelligence practices in procurement • Industry spend analysis characteristics and strategies • Creating industry category management (sector) strategies • Key procurement and supplier performance metrics • Trends in global sourcing and local content requirements • Oil and gas law and global contracting risks • Influence of eCommerce and eProcurement initiatives in oil and gas



2016 Schedule and Tuition / 3 Days

HOUSTON, US 1-3 NOV 2016 US\$2730

2016 Schedule and Tuition / 3 Days

DUBAI, UAE 31 JUL-2 AUG US\$3400
HOUSTON, US 17-19 MAY US\$2730

2016 Schedule and Tuition / 3 Days

HOUSTON, US 23-25 AUG US\$2730

Strategic Procurement and Supply Management in the Oil and Gas Industry – SC-62

INTERMEDIATE

The development and implementation of carefully crafted strategies for the procurement of all goods, equipment, materials, and services has become a critical issue for all those in the oil and gas industry wishing to reduce operating cost while improving quality and productivity. This program explores key concepts forming the basis of strategic supply management, and moves today's supply management organization from its typical tactical focus to the strategic focus needed to successfully implement the processes and methods needed to reach world-class performance.

DESIGNED FOR

Managers and professionals in supply management, procurement, purchasing, contracts, materials, inventory control, projects, maintenance, operations, finance, as well as all other professionals interested in lowering total cost and increasing productivity and profit contributions from better supply management operations.

YOU WILL LEARN

- Stages to world class supply management
- Skill sets in supply management
- Organizing the spend profile
- Greater abilities in leading continuous improvement programs
- Ways in dealing with economic uncertainties
- Questions for internal surveys to enhance purchasing performance
- How to develop a "Purchasing Coding System"
- Steps in the development of a Composite Purchase Price Index
- How to get more time to work on strategic issues
- Negotiation planning and strategies
- To understand the elements of cost that make up a supplier's price
- Categories in a purchased materials/services strategic plan outline

COURSE CONTENT

Stages to world class supply management • Change and becoming more strategic • Supply management skill sets • Defining supply management • Examples of job descriptions for supply management • Developing the spend profile • Creating time to be strategic • The ABC (Pareto) analysis and what to do with it • Material/services purchasing code development • Elements of cost that make up the price • Developing "should cost" • Producer price indexes • Requesting supplier's cost and pricing data • Dealing with economic uncertainties, when, where, and how to use "Economic Price Adjustment" clauses • Internal surveys to improve purchasing performance • Total cost of ownership concepts • Cost containment methods • Cost reductions and cost avoidance • Savings reporting procedure • Developing purchased materials/services strategic plans • Developing the purchase price index for your organization • Negotiation skill sets • Steps in negotiation preparation • Positional negotiations • Final points before the negotiation

2016 Schedule and Tuition / 3 Days

DUBAI, UAE	6-8 NOV	US\$3400
HOUSTON, US	21-23 JUN	US\$2730
	17-19 OCT	US\$2730

Supplier Relationship Management – SC-63

INTERMEDIATE

The traditional adversarial relationship and transactional focus of buyers and suppliers cannot meet the demand for continuous improvement in lead-time, quality, and overall supplier performance. As a result, significant changes are occurring in the philosophies and approaches that define the relationship between purchasers and sellers in world-class organizations. Simply put, Supplier Relationship Management (SRM) and collaboration provide an organizational focus on communicating with suppliers on the many steps of the Supply Management process. This focus reduces the lead-time and total cost of acquisition, transportation, administration, and possession of goods and services for the benefit of both the buyer and seller, and as a result, provides a competitive advantage and improved profits.

DESIGNED FOR

Managers and professionals involved in purchasing, projects, contracts, supply management, operations, maintenance, engineering, quality, and other activities that expose them to dealings with suppliers for goods, equipment, and services in the oil and gas industry.

YOU WILL LEARN

- The Supplier Relationship Management Maturity Model
- Importance of SRM in continuous improvement
- Critical steps in developing trust with suppliers
- Supplier segmentation models
- 8 Step Strategic Alliance Development
- The difference between SRM and collaboration
- Best practices in managing supplier relations
- Key elements in improving the supplier relationship
- Best practices in supplier qualification, measurement, and recognition
- The importance of reengineering in SRM
- Supplier risk management process

COURSE CONTENT

The organizational challenge • Defining the supply management mission and vision • Critical supply strategies • Defining Supplier Relationship Management (SRM) • The SRM Maturity Model • Major components of SRM • Defining levels of the organization's SRM Maturity • The critical ABC analysis • Commodity and service coding • Segmentation of the supplier base • Defining the alliance • The alliance process • Success factors and barriers to alliances • Focusing on high value activities • Reengineering • Detailed mapping of processes • Be on the Look Out List • Developing the skills and defining the organization's mission in building supplier relationship • Best practices for managing supplier relations • A survey for letting the supplier rate you • Maintaining good supplier performance • Who and what to measure • Monitoring supplier performance • Developing and maintaining a supplier performance index • Supplier recognition and expectations • Supply Risk and trends leading to greater risk • Typical risk management process

2016 Schedule and Tuition / 2 Days

DUBAI, UAE	9-10 NOV	US\$2440
HOUSTON, US	20-21 OCT	US\$2090

Cost/Price Analysis and Total Cost Concepts in Supply Management – SC-64

INTERMEDIATE

Managing and reducing cost continues to be one of the primary focal points of PSCM in oil and gas today. In many organizations, more than half of the total revenue is spent on goods and services, everything from raw material to overnight mail. Maintaining a competitive position and even survival will depend on the organization's ability to use all of the continuous improvement strategies that have been developed to reduce cost across the entire supply chain for the life of the product or service. Fundamental to developing and implementing these strategies is knowledge of cost/price analysis, value analysis, and total cost of ownership concepts. This course provides the concepts that are essential skill sets in developing and implementing the strategies required to achieve the high levels of cost reductions possible from the supply chain. SC-64 is also available as a five day in-house course with expanded content.

DESIGNED FOR

Managers and professionals in purchasing, procurement, and contracts as well as those involved in operations, engineering, maintenance, quality, projects, and other company activities that expose them to suppliers and buying activities for production, maintenance, equipment, MRO, services, and other outside purchased requirements.

YOU WILL LEARN

- Importance of price/cost analysis in continuous improvement programs
- The difference between price and cost analysis
- Methods of price analysis
- How to manage volatile markets
- Use of Producer Price Indexes
- Methods of cost analysis
- Development of "Should Cost"
- Types of TCO models

COURSE CONTENT

Use of price indexes • Cost/price analysis • Total cost of ownership • RFQ/tendering as a price analysis tool • Cost estimating relationships • Purchasing savings impact on the bottom line • Developing the spend profile • Sources of spend data • How to perform the ABC analysis • Examples of using pivot tables in Excel for data mining • Continuous improvement skill sets • Difference between cost and price analysis • Selection tool • Methods of price analysis • Historical analysis • Developing company purchase price • Index methods of cost analysis • Major elements of cost • Requesting supplier cost info • Sources of cost information • What and how important are supplier overheads • How much profit should the supplier make economic • Price adjustment clauses • Total costs of ownership models • How to combine price and performance to obtain TCO

2016 Schedule and Tuition / 3 Days

DUBAI, UAE	24-26 OCT	US\$2730
HOUSTON, US		

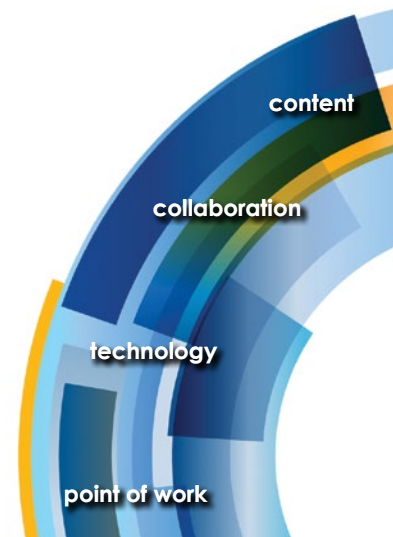
PetroAcademy™ Blended Learning

PetroSkills Blended Learning Programs combine industry expertise, content, and technology to develop workforce competency with the added benefit of:

- ✓ **Reduced time to competency**
- ✓ **Eliminated travel expense**
- ✓ **Flexibility—less time away from work**
- ✓ **Learning applied at point of need**

See petroskills.com/blended for more information on

PetroAcademy™ blended learning





TO VIEW OUR COURSES IN OTHER DISCIPLINES, VISIT:

Subsurface

- Introductory/Multi-Discipline
- Geology
- Geophysics
- Petrophysics
- Reservoir Engineering
- Well Construction/Drilling
- Production & Completions Engineering
- Unconventional Resources
- Integrated - Heavy Oil
- Petroleum Data Management

Facilities

- Gas Processing
- Process Facilities
- Water & Corrosion
- Offshore
- Pipeline
- Instrumentation, Controls, & Electrical
- Mechanical
- Reliability Engineering
- Procurement/Supply Chain Management
- Refining

Operations & Maintenance

Health, Safety, Environment

Petroleum Business and Professional Development

- Petroleum Professional Development
- Petroleum Business
- Project Management

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