

# Efficient Operations for Inventory



## Business challenges

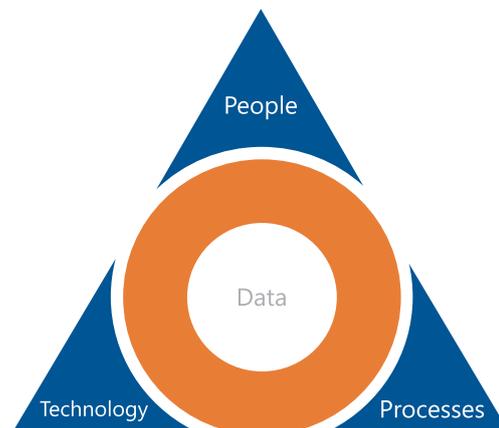
In Absoft's unrivalled experience of optimising inventory management for operators, drilling and oilfield service companies, we consistently find the following pain points:

- > Steadily increasing inventory costs in a context of the same or decreased levels of operations
- > Too many 'stock out' occurrences related to high priority work
- > Stock in the warehouse which is not in the SAP® system, or stock in the SAP system which is not in the warehouse
- > Difficulties in differentiating and managing project from operational stock, or customer stock from your own
- > Struggling to keep replenishment parameters in line with fluctuating material demand
- > Crisis management for backload – dealing with the phantom container that turns up quayside

Absoft has developed comprehensive solutions to overcome these inventory challenges through our Efficient Operations service line for upstream oil and gas.

## What we do

Absoft delivers best practice, SAP based solutions designed to improve the efficiency of your maintenance processes. We recognise that the successful delivery of a change program demands 'joined up' solutions, especially in upstream oil and gas. A successful change initiative doesn't just focus on **Technology**, but respects that the technology is there to support a **Process**, that **People** need to understand the processes and technology, and that **Data** is the lifeblood of an ERP system. Our optimisation service addresses all four dimensions to ensure that a solution will be adopted, consistently used and ultimately deliver value for your business.



## Technology

Absoft develop and implement tailored SAP software solutions to optimise inventory management in accordance with specific statutory requirements for the UKCS and Norwegian Continental Shelf. We provide:

- > SAP based stock optimisation routines that inform stocking policy and optimise stocking parameters
- > Best practice solutions for managing and differentiating between joint venture, common, project and operational stock, including the management of own stock at 3rd party sites
- > Optimised stock counting and stocking policy reviews that respect the value, turnover and criticality of stock items
- > Material traceability and customs status management solutions
- > Critical spares stock optimisation
- > Material usage history and actual delivery lead time data, fed back into SAP to dynamically optimise stock replenishment and delivery parameters
- > Offshore materials supply solutions based on SAP's Remote Logistics Management module or standard SAP logistics functionality
- > Mobile solutions for inventory management including receiving, issuing and stock counting

## Processes

Based on 20 years' experience in delivering optimised inventory solutions into the business units of supermajors and integrated services companies, Absoft delivers best practice process content which can accelerate your inventory optimisation initiatives.

Absoft helps you to define or enhance your core processes for receiving, stock management and pick/pack/ship handling.

Based on best practice in upstream oil and gas and a proven history of delivered benefits, our Process Optimisation service covers **5 stages**:



## People

Technology or process change will not become fully absorbed if we do not upskill the workforce in the changed ways of working. To ensure that the people side of the equation is addressed Absoft provide:

- > Upstream SAP inventory specific training courses that can be tailored to your organisational requirements
- > Training Needs Analysis and competency assessment services to 'flesh out' the initial training program and establish a sustainable training and competency regime

## Data

Absoft recognise that data is the cornerstone of effective inventory management and we assist our customers to improve the health of their Material's Catalogue. Accurate data is the foundation which supports all decision making for continued safe and efficient operations.

Our Material Catalogue Health Check provides a comprehensive 20 point review of your materials register. The health check highlights duplication, gaps in classification, stock with no bin references, stock items which are ordered as non-stock but also highlights stock parameter improvement recommendations.

## What we deliver

We deliver effective inventory management and increased material availability to maximise safety and minimise production downtime using tailored solutions in SAP. Here are some of the areas where Absoft can deliver added value and make your inventory management function more efficient:

- > Optimised project, operational and joint venture stock processes
- > Mobile solutions to accelerate inventory processes
- > Increased material availability for high priority operations and projects
- > Customs status management
- > Closed loop feedback on stock levels and frequency of consumption
- > Accurate material's catalogue and management information

- > Offshore inventory management coaching and on-the-job training from BOSIET certified SAP consultants
- > Classroom based training at customer sites or from Absoft's state-of-the-art facilities
- > A flexible e-learning approach to cater for your operational requirements

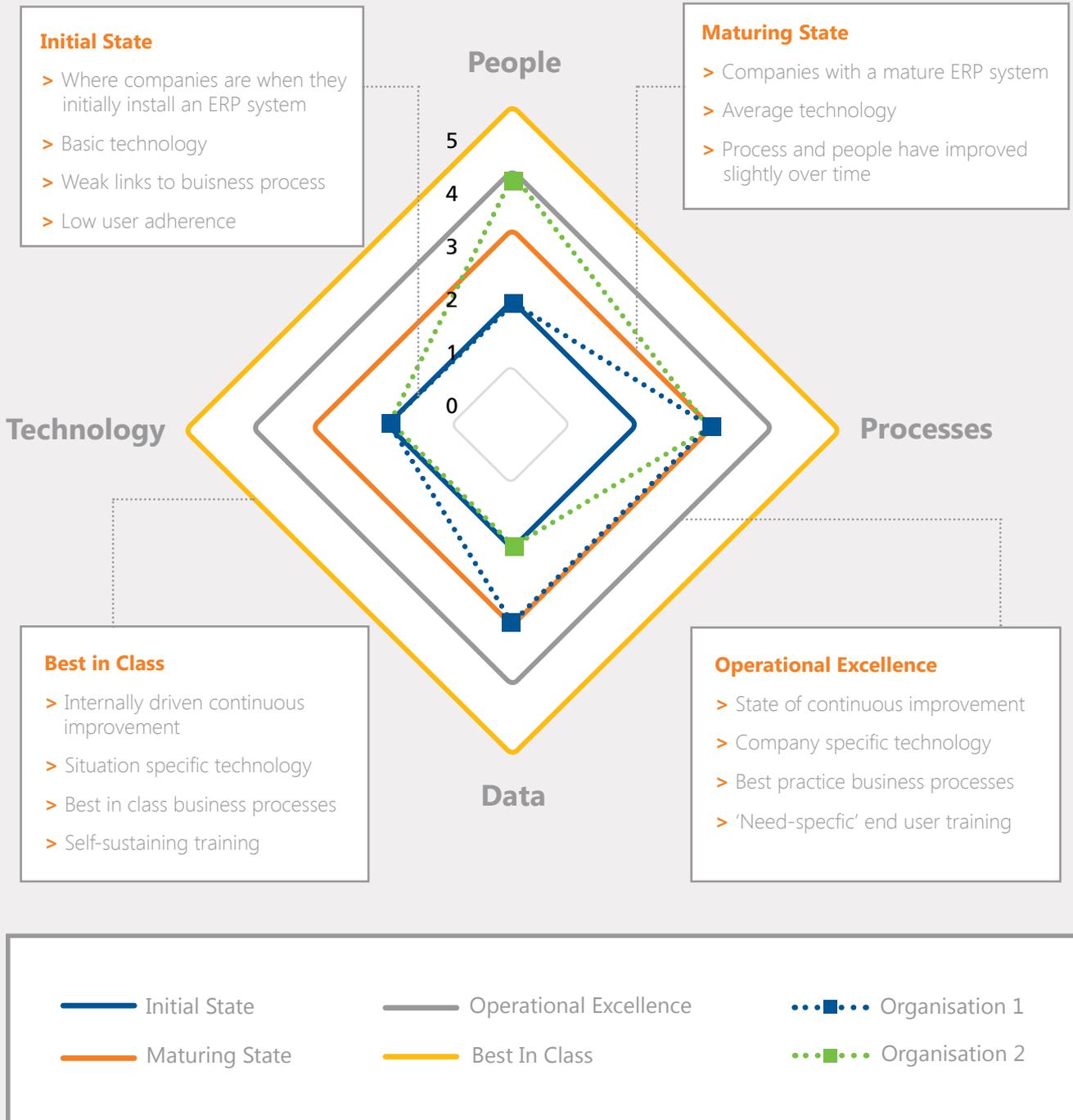
Our objective is always to ensure that when we run a training course, the attendees leave understanding not just 'what' and 'how', but that they also understand 'why'.

Our Inventory Performance Analytics service provides insight into your key inventory parameters and highlights critical KPI's such as stock out risk, recommended service factors/levels, suggested safety stock levels and suggested reorder quantities. We provide 20 'out of the box' KPI's, as well as the flexibility to construct your own queries into your data.

- > Improved ownership and accountability for Inventory items
- > Sufficient spares for critical equipment
- > Rentals and repair management solutions
- > Streamlined returns and surplus processes
- > Stock counting process compliance
- > Sustainable inventory management training regimes
- > Role based training plans
- > Upstream inventory course collateral
- > E-learning for occasional and remote users

## Where are you on the PPDT Maturity Map?

Absoft has experience of delivering solutions for operators and oilfield service companies at different stages of maturity with the four key dimensions of People, Processes, Data and Technology (PPDT).



## Business impact

Our Efficient Operations service line offers a number of solutions for inventory optimisation, but what are the tangible benefits and impact for your business?

We have already helped our customers to achieve:

**10%** **lower inventory** value due to efficient levels of stock and spares

**10%** **increase in value** realised from the investment recovery process

 **20%** **reduction in material** non-compliance issues

**20%** **reduction in 'stock out'** situations related to priority 1 work

**50%**  **reduction in average elapsed time** to handle surplus materials

 **50%** **increase in stock accuracy** for fast moving and high value critical items

**50%** **rationalisation** of 3rd party sites holding inventory

## Why work with Absoft?

There are a number of SAP partners out there, but it is our extensive experience in upstream oil and gas which sets us apart from the competition.

- > We have been supporting upstream operations in the UK and Norwegian sectors for over 20 years
- > Many of our consultants have worked in the industry or the discipline before they joined Absoft. They can 'walk the walk' as well as 'talk the talk'
- > Many of our customers have internal business system capabilities and global support arrangements. Absoft prides itself on the ability to provide niche expertise as and when you need it

Together, our strong track record in upstream combined with our consultant's hands-on experience uniquely places Absoft to develop solutions for the challenges facing the industry today.



## About Absoft

Absoft is a dedicated SAP specialist, established in 1991. Our SAP expertise, preconfigured templates, solutions and accelerators mean we deliver the best business and technical solutions for your individual needs to the highest standards of quality, quickly.

We are the only SAP partner to specialise in upstream oil and gas. We are working with leading players in the industry and have been for over 20 years, uniquely combining business process, oil and gas and SAP expertise to deliver best practice solutions globally.

**Call Absoft on +44 (0)1224 707088 or visit [www.absoft.co.uk](http://www.absoft.co.uk) for more information.**

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