



LM135: Effective Materials Management in Oil and Gas Industry

Training Description:

Why is materials management important in the oil and gas industry? Materials management is vital in the oil and gas industry because unavailability of materials lead to delays that could result in higher business costs. Materials management includes all those activities necessary to ensure that materials flow from source to production sites to the final customer in the form of a finished product. It is a complete process that includes planning material requirements, releasing purchase orders, providing transportation to sites, material storage and shipping to operational sites, when required. Materials management for large oil and gas companies includes not just material supply for day-to-day operational activities at production facilities but also construction of large capital projects.

This intensive training 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.

Training Objectives:

By the end of the training, participants will be able to:

- ✓ Appreciate the importance of an effective cash management system
- ✓ Gain an in-depth knowledge in material optimization of available inventory and increase the turnover ratio within Oil and Gas related material
- ✓ Explore best practice in Oil and Gas industry
- ✓ 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

Training Designed for:

This course is intended for those 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. Buyers, procurement specialists, stock analysts, and logistics, warehouse, distribution or operations supervisors will benefit from this course by learning the techniques and principles for providing better service to their operations, reducing stock outs and surplus materials and maximizing the return on investment for inventory.

Training Requirement:

"Hand's on practical sessions, equipment and software will be applied during the course if required and as per the client's request."

Contents can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client's learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

Training Program:

DAY ONE:

❖ Module 1 – Principles of Materials Management

- Planning
- Standardisation
- Ergonomics
- Unit load
- Space utilisation
- System
- Environment
- Automation
- Life cycle costs

❖ Module 2 – Elements of Materials Management

- Spare parts
- Quality control
- Inventory management

DAY TWO:

❖ Module 3 – Material/Equipment in Materials Management

- Automated storage and retrieval systems
- Automatic guided vehicles
- Automatic identification and data collection
- Dock equipment
- Integrated material handling systems
- Software

❖ Module 4 – Activities in Oil and Gas Materials Management

- Warehouse management system implementation
- Data collection for warehouse database implementation
- Inventory services
- Analysis/Definition of materials management services
- Spare parts stock strategy implementation
- Material coding
- E-Logistics program implementation
- Application of RFID technologies

DAY THREE:

❖ Module 5 – Best Practices for Oil and Gas Materials Management

- Comprehensive value chain approach
- Simplicity in purchase
- Proper tracking and visibility
- Performance management system
- Strategy during early design stages
- Smooth material handover from material to operations
- Operation-phase supply chain development

DAY FOUR:

❖ Module 6 – Levels of Materials Management Performance

- Firefighter
- Controller
- Innovator
- World class

❖ Module 7 – Functions of Material Handling Systems

- Material Optimization of available inventory and increase the turn-over ration within Oil and Gas related material
- Forecasting, Understanding and using material forecasts
- Establishing a warehouse scorecard
- Resource allocation
- Production planning
- Flow and process management
- Inventory management and control
- Customer delivery
- After-sales support and service

DAY FIVE:

❖ Case Study

❖ Module 8 – Advantages of Material Handling Systems

- Improve customer service
- Reduce inventory
- Setting comprehensive inventory goals and objectives
- Improving material identification and coding
- Segmenting inventory for analysis
- Shorten delivery time
- Lower overall handling costs
- Understanding carrying costs and economic order quantity theory

❖ Optional Topics:

- Using formal procedures for making the decision to stock
- Determining safety stock levels and order points
- Improving min/max systems and settings
- Creating best practices in the physical control of materials
- Measuring record accuracy and improving cycle counting systems
- Increasing the use of warehouse technologies
- Preventing and reducing surplus materials

- Understanding investment recovery techniques
- Using the disposition value chain for investment recovery
- ❖ Course Conclusion
- ❖ POST-ASSESSMENT and EVALUATION

Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

TBA as per the course location - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 14:00	Last Session

For training registrations or in-house enquiries, please contact:

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