Challenge

It gets more and more important for oil and gas companies to manage and oversee their supply chains in an effective manner in order to reduce cost as well as to enhance and guarantee efficient operations.

Solution

Panalpina was awarded the supply chain management of a drilling company. The Panalpina Oil & Gas division in Houston offered a solution not only optimizing the company’s supply chain operations but also identifying further cost efficiency possibilities by including different value-added logistics services.

Result

- Reduction of shipments
- Cost savings
- Enhanced supply chain visibility
- Increased customer satisfaction
- Implementation of track and trace system

The primary goal of every oil and gas company is to find and produce oil. However it has become more challenging in regards to the environments and locations and the respective trade lanes. Therefore optimal logistics and supply chain solutions have to be applied in order to find the best way from the reservoir to the refinery and to keep the supply chains as smooth and visible as possible.

An international oilfield drilling contractor’s challenge consisted in having a transparent supply chain in order to guarantee rapid deployment of material to its global network of rigs and ensuring its ongoing, efficient operations. This customer did provide supplies and materials to its growing rig operations around the world and it therefore sources products from numerous suppliers throughout the USA. Due to the fact that the company’s rig network expanded, its shipping volumes increased and consequently its logistics costs too. For this reason the company was looking for a logistics partner who would help to optimize its supply chain and provide visibility throughout the entire supply chain process.

The company chose Panalpina to handle the management of its supply chain. The Panalpina Oil & Gas division in Houston, Texas, therefore plays a pivotal role in the solution: not only optimizing the company’s supply chain operations but also identifying further cost efficiency possibilities. Panalpina manages its supply chain management business including the receiving / packing / warehousing / distribution, air and ocean transport, domestic transportation as well as customs clearance and delivery at some destinations for all of the supplies for the company’s rigs on a global basis. Panalpina receives all orders in its Houston facility, consolidates them by destination and packs and ships on a regularly scheduled basis to each rig destination. This approach has reduced the number of shipments required thus resulting in cost savings for the company. Further, Panalpina is working with the company’s technology, using its in-house system for shipment tracking and information. Panalpina and the company share the same focus on delivering superior value.

Panalpina did meet the customer’s request by sharing the same focus on delivering superior value and customer service and furthermore leveraged the company to a visible and efficient global supply chain.