The oil and gas industry is seeing surges in supply, changes in energy policies, and price volatility.

As an oil and gas company, you are on the front-lines of rapidly shifting economic trends and industry regulations. Will your supply chain enable you to continuously adapt to the key trends that are shaping the industry:

**Oil Prices Remain High**

The price of oil continues near the high level set in 2018, following downturn of 2014, as geopolitical fears cause concerns to rise over potential disruption to supplies.¹

**Hybrid or all in strategy for renewables**

Major oil, gas, and chemicals companies are making increasingly sizable investments in companies and technologies that bring renewable, low-carbon energy to consumers and to reduce their own environmental and carbon footprints.² With fossil fuels still expected to make up 75% of global primary energy demand through 2040, oil & gas companies need to define a strategy.³

**Oil Demand Continues to Rise**

As of the end of 2018, the United States was the world’s biggest consumer of crude oil, with 19,000,000 barrels per day. China at 10,500,000, and Japan using 4,500,00 per day. Demand has increased every year since and exceeded 100 million barrels worldwide in 2018.⁴

When the importance of the decision requires the smartest analysis, innovative manufacturers rely on LLamasoft to show them trade-offs and options for how their supply chain should be designed to create desired business outcomes. The LLamasoft Digital Design and Decision Center puts powerful answers in the hands of supply chain decision makers - across strategic, mid-range and operational time horizons – making...
data-driven decisions a reality within and across supply chain functions. With the ability to visualize, simulate and optimize your end-to-end supply chain processes, you’ll be able to answer the most complex supply chain transformation questions.

Supply Chain Design Makes a Difference

Oil and gas companies that proactively redesign their supply chains with LLamasoft can respond rapidly to changing market conditions and design their supply chains to meet their profitability and service goals. Our oil and gas customers identify an average of 5% total variable cost savings while driving operational transformations – requiring new interconnected decisions across supply chain functions including:

- Network Design
- Transportation Optimization
- New Venture Design
- Capacity Planning & Risk Analysis

How are Global Oil and Gas Companies Leveraging Smarter Supply Chain Decisions?

LLamasoft oil and gas customers include some of the largest and most innovative companies in the world. Here are the stories of oil and gas customers’ achievements with LLamasoft solutions:

- A multinational oil and gas corporation wanted to implement a process to determine the optimal short-term utilization of rail cars, including size and location, and the best go forward strategy for new car acquisition as leases end. The company partnered with LLamasoft to build a model that identified, given current demand and production plans, which rail cars should be used and how. Today, non-technical dispatchers run this repeatable-use model once a week to give a rolling three-week snapshot of how to best utilize cars. These plans are used directly by the production planning team to determine which cars should be allocated to upcoming production.

- A leading transport fuel supplier and convenience retailer was faced with shifting demand for fuel products due to increased uptake of biofuels, changes in customer preferences, transportation costs, and refinery closures. The company wanted to analyze the impact of projected future demand patterns for fuel on its distribution terminal infrastructure. Working with LLamasoft they built a baseline model, capturing current terminal locations and capacities, and a 10-year demand and supply plan across the terminal network. Having built a living model of their end-to-end distribution network, the company was able to analyze future scenarios quickly and accurately as part of its regular planning process. In addition, they had the ability to adjust their network for unplanned market changes and testing new strategic proposals.