



THE OIL AND GAS INDUSTRY
IS FACING CONSTANT CHANGE.

How Resilient Is Your Supply Chain?

The oil & gas industry is facing unprecedented levels of uncertainty.

As an oil and gas company, you are used to being on the front-lines of continuously shifting economic trends, and industry regulations. Your supply chain must allow you to continually adapt to the key trends that are shaping the industry:



Oil Prices Will Always be Volatile

As we have seen over the preceding years and decades, pricing is rarely stable for crude. As pricing fluctuates, it is imperative to understand the cost and service implications related to outsourcing vs. insourcing different segments of your supply chain.



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. With fossil fuels still expected to make up 75% of global primary energy demand through 2040, oil & gas companies need to define a strategy.¹



Oil Demand Growth is Uncertain

The arrival of the coronavirus is challenging a global oil market that was already facing uncertainty. Demand growth in 2019 was significantly weaker than expected, and new vehicle efficiency measures have started to weigh on transport fuels. Following a contraction in 2020 and an expected sharp rebound in 2021, global oil demand growth is expected to weaken as consumption of transport fuels increases more slowly. Between 2019 and 2025, global oil demand is forecast to grow at an average annual rate of just below 1 mb/d.²

When the importance of the decision requires AI for supply chain analytics, innovative organizations rely on LLamasoft to highlight the implications and trade-offs of various options for how their supply chain is configured to create desired business outcomes. llama.ai places powerful insights into the hands of supply chain decision-makers - across user-defined 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 Optionality Makes the Difference

Oil and gas companies that proactively evaluate various supply chain options with LLamasoft can respond rapidly to changing market conditions and configure their supply chains to meet their profitability and service goals. Our oil and gas customers identify an average of 9% total variable cost savings while driving transformations - requiring new interconnected decisions across supply chain functions including:

- Network Strategy & Risk Analysis
- Insource vs. Outsource
- Sourcing Optimization
- Cost to Serve
- Inventory Strategy
- Transportation Optimization
- Sustainability and Decarbonization

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

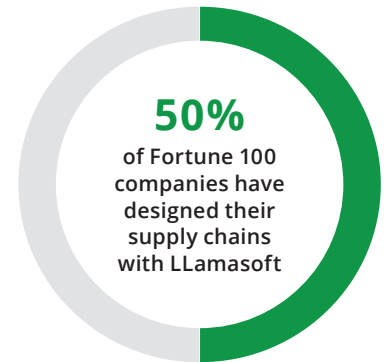
LLamasoft oil and gas customers include some of the largest and most innovative companies in the world. Here are the stories of oil and gas customers' achievements with LLamasoft solutions:

- A market-leading global oil and gas corporation needed to evaluate the cost implications that increased tariffs were going to have across their global supply chain footprint. One of their specialty products was produced in a relatively centralized manner to account for overall equipment efficiency when balanced against transportation and tariff costs. As a result of the trade war, they ran several scenarios, explicitly modeling the tariffs and scenarios thereof balancing production, distribution, and inventory costs. Based on the changes they made to their global supply chain flows, they managed to avoid over USD 30 million in increased tariffs costs.
- 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 digital supply chain twin capturing current terminal locations, capacities and a 10-year demand and supply plan across the terminal network. The digital supply chain twin allows the company to analyze future scenarios quickly and accurately as part of its regular planning process. In addition, they could adjust their network for unplanned market changes and testing new strategic proposals.

Gartner

Supply Chain Top 25

24 of the Gartner's Supply Chain Top 25 companies leverage LLamasoft technology for the supply chain decisions.



3,000+

LLamasoft has supported over 3,000 supply chain analysis and design solutions.

1. International Energy Agency
2. IEA Oil 2020 Report

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