



RasGas gains Operational efficiency of its Supply Chain using Shipcom's solution

Founded in 1993, RasGas is the world's third largest Liquefied Natural Gas (LNG) producer, with over 30.7 million tonnes of per annum (Mta). It supplies LNG to customers in Europe, Middle East and Asia.

In the extremely competitive world of oil and gas, efficient processes with zero tolerance for downtime are requisites to success. This demanding nature of the industry puts constant strain on the physical infrastructure of a company, leading to regular servicing and maintenance requirements. Availability of spare parts is crucial to ensure prompt deliveries and employee safety.

RasGas's materials procurement department had the responsibility of ensuring supply of readily available spare parts. After receiving procurement requests from various business units, the materials department issued Purchase orders (P.O.) using SAP 4.7 ERP system. Every vendor was faxed the respective P.O. and was required to fax back acknowledgements for the same. The RasGas team would then communicate with the Freight forwarding agencies to ensure timely shipment of the spare parts from respective vendors. Once the goods were received into RasGas warehouses the data was manually entered into the SAP system. The goods were then dispatched to respective business units as per their stated procurement requests.

The process followed by the RASGAS team would work only if all the tasks were to be completed as per the plan, but in reality this did not happen. The system did not provide the RasGas team the visibility and the control it badly needed, over its spare parts supply chain. The spare part supply chain included more than 200 spare part vendors spread across the globe. Ensuring receipt of acknowledgement for the P.O.'s issued had become a time consuming activity. Wrong shipments, and delay in pickup or clearance process resulted in non availability of spares at the right time, causing costly production delays and delivery failures.

CHALLENGES

- Extended rig downtime
- Poor Material traceability and visibility
- Complicated goods receiving processes
- Labor intensive data entry system
- Low Inventory accuracy

Non availability of spare parts extended rig downtime, causing exponential surges in costs. Also, inefficient manual processes in warehouse and data management made it difficult to regularly update inventory, allowing only 2 inventory cycle counts per year. Due to inaccurate inventory and poor visibility, tracking available spares was a time consuming administrative task, resulting in inappropriate inventory levels.

SOLUTIONS

RasGas needed a solution that could streamline workflow and provide end-to-end visibility to its spare parts supply chain.

Based on elaborate evaluation and selection procedures, RasGas selected Shipcom as its strategic solution provider for its domain expertise and fast delivery.

Shipcom's solution was based on its time tested CATAMARAN platform, which allowed quick configuration and customization and was able to synchronize with existing legacy systems, using certified adaptors which substantially reduce risk and development time.

Using the remote configuration capability of the CATAMARAN platform, Shipcom was able to quickly configure the required solution and deliver a successful roll-out within 3 months. The solution also provided an intranet based Portal using CATAMARAN 8.01 business fusion framework, hosting critical functionalities tailor-made for RasGas requirements. The RasGas team could now view complete history and detailed information about POs relevant to each Vendor. Using the same platform, a seamless interface to the freight forwarding system was developed, which gave RasGas real time visibility through all stages of the supply chain -
- Material Receipt, Packaging, Shipping, Actual Departure, Actual Arrival, Customs Cleared status and Actual Delivery made.

All warehouses were equipped with wireless barcode solutions. Wireless handheld barcode scanners synchronized with CATAMARAN 8.01 enterprise server enabled the filtering, aggregation, transformation and routing of error free data to the SAP 4.7 ERP system in real time. The handheld terminals powered by CATAMARAN thin client made inventory cycle counts, faster and more accurate.

Based on the urgency of the spares required, it was now possible for RASGAS to expedite the shipments and exactly know in advance -- what spares are available / arrived, how many are in transit, when is the delivery expected and what is the expected deficiency, if any.

The solution was showcased by the Materials department of RasGas to other Business units and SAP user groups to benefit from the same. RasGas now plans to further expand the scope of solution to other critical business processes in the second phase with SHIPCOM.

We have substantially increased the inventory accuracy at the Factory Warehouse and Distribution Center.

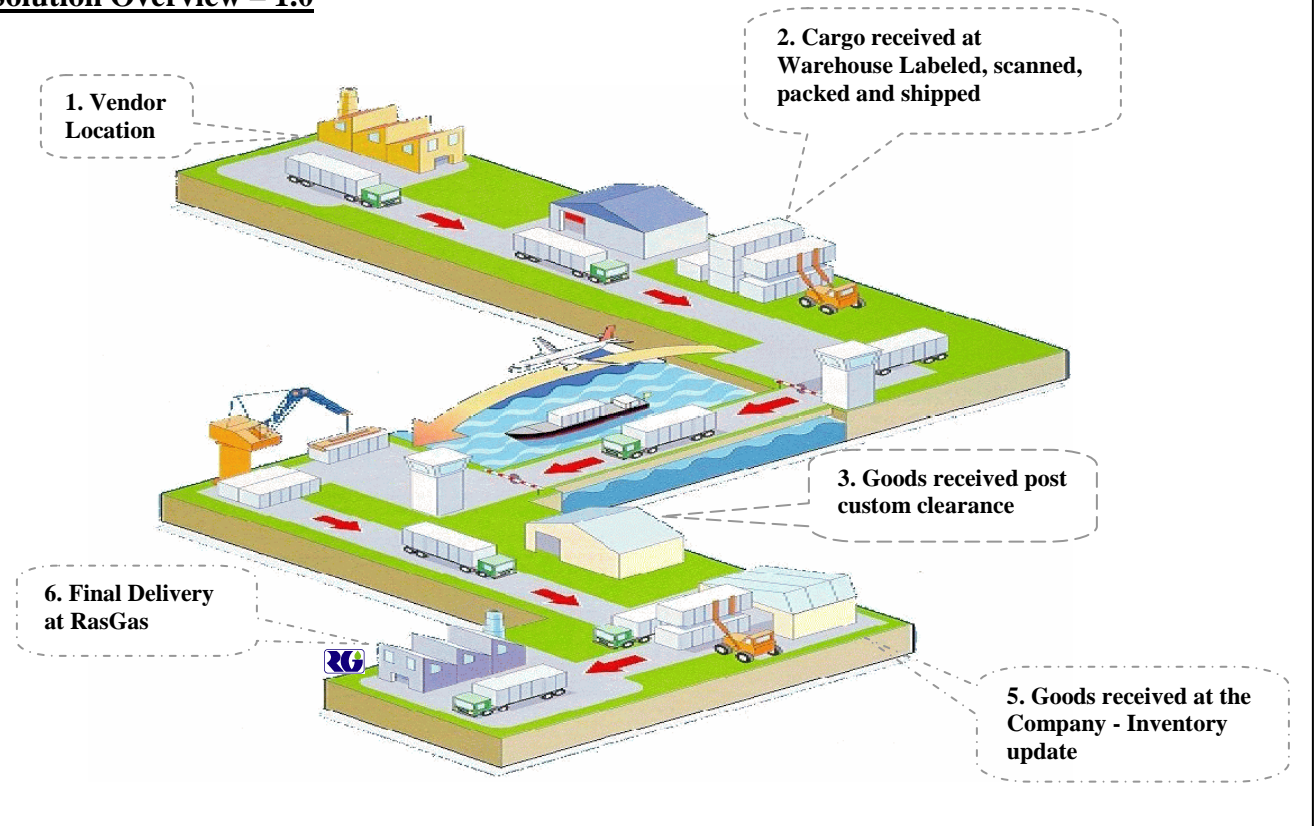
**Vice President, Materials & Procurement Dept.
RasGas Company Limited**



BENEFITS

- ▶ Improved Stock availability
- ▶ Reduced losses due to timely completion of maintenance schedules
- ▶ End-to-end spares supply chain visibility
- ▶ Cost saving from improved logistics
- ▶ Reduction in Labor cost.
- ▶ Reduced Communication cost and time.
- ▶ Reduced levels of Risk & Improved service levels.
- ▶ Improved Inventory accuracy and traceability.
- ▶ Reduction in excess / Zero inventory situation
- ▶ Reduced spoilage & obsolescence

Solution Overview – 1.0



Key Solution Components

Software: CATAMARAN Enterprise Server

The software engine is used to develop, control and integrate multiple application points

Services

- Global Business Consulting services for process design
- Global Technology Services for hardware integration, solution architecture and testing
- Global training services for efficient processes

About Shipcom

Shipcom is a solution provider that develops “extended applications” to leverage ERP Systems like SAP, Oracle, PeopleSoft and JD Edwards to gain operational visibility

Shipcom has satisfied customers in over 22 countries with hundreds of customer sites with real operational deployments.

Head Office

11200 Richmond Avenue, Suite 552
Houston, TX 77082

Tel. +1 281 558 5252

Fax +1 281 558 5255

Email info@shipcomwireless.com

www.shipcomwireless.com

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