The Challenge

The supply chain planning process for downstream oil & gas answers questions like:

- Which feed stock to buy?
- Which location (refinery) to process the crude oil?
- How much and when to buy or sell on the spot market?
- What to make where?
- What mode of transport?

These questions are tough to answer given:

- Fluctuating crude prices
- Fluctuating prices for the refinery outputs (gasoline, fuel oil and other distillates)
- The cyclical nature of demand and supply in the industry
- Operational challenges
- Changing environmental regulations
- General economic uncertainty

Have historic organizational structures resulted in siloed supply chain segments? Does each segment operate as its own business unit with its own metrics? Are these metrics aligned with business and profitability goals? Don't let history stand in the way of improvement. The Inspirage Planning Solution for Downstream Oil & Gas provides visibility and supports alignment to the overall goals of the business.
The Solution

Inspirage has developed a comprehensive solution for downstream oil & gas supply chain planning. This solution will help simplify supply planning to provide a consistent and robust business process for maximizing profit or minimizing cost. Our solution helps you efficiently achieve the complex and challenging goal of identifying the best operating plan for the current period.

Balance Supply and Demand to Maximize Refining Margins

Oil refineries process anywhere from a hundred thousand to several hundred thousand barrels of crude oil a day into distillates (petroleum naphtha, gasoline, diesel fuel, asphalt base, heating oil, kerosene and liquefied petroleum gas). Many of the units operate continuously at near steady state levels for months to years because of the high capacity. Due to this high capacity, process optimization and advanced process control are very desirable. This continuous processing places refiners in a constant battle to manage their refining margin by balancing supply and demand.

Win the battle by using the Inspirage Planning Solution for Downstream Oil & Gas to unlock visibility into the trade-offs that have the greatest impact on refining margin.

Manage Supply and Minimize Cost While Ensuring Consistent Flow Of Crude

Use the Inspirage Planning Solution for Downstream Oil & Gas to evaluate ways to trade crude oil when market opportunities present themselves utilizing a combination of futures contracts, supply swaps and varying procurement sources.
Understand When Buying and Selling on the Spot Market Improves Margin for the Overall Supply Chain

Decisions about buying and selling in the spot market are not always obvious. Buying low and selling high is not the only viable strategy. The ability to evaluate the resulting impact on refining capacity and the overall supply and demand within the supply chain is critical to improving margin. Use the Inspirage Planning Solution for Downstream Oil & Gas to uncover the hidden opportunities to increase capacity (spot buys) and maximize margin on revenue by changing product mix (spot sales).

Respond to Fluctuating Product Prices

The Inspirage Planning Solution for Downstream Oil & Gas enables the ability to quickly respond to fluctuating product prices and determine which changes to the operating plan will best protect margins in a down cycle and exploit opportunities in an up cycle.

Solution Features

The Inspirage Planning Solution for Downstream Oil & Gas includes the following elements:

- Ability to accurately model your supply chain at the appropriate level of detail
- Models the supply chain in terms of both the physical processes and the revenues/costs
- Gives supply chain Planners and Executives visibility into trade-offs across the entire supply chain
- Eliminates the necessity to make decisions in a silo
- Integrates data and decisions with other applications and business processes

Solution Benefits

- Grow revenue and market share while reducing costs
- Improve refining margins
- Quickly determine the best response to volatile crude prices
- Increase the responsiveness of the production and distribution supply chain
- Avoid suboptimal supply chains
- Mitigate uncertainty by being prepared to respond when to changes in market prices for both crude supplies and refined products