

completions

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Spare Parts Revolution Set to Save Money

Aberdeen Business Units (BUs) recent agreement with an Internet business-to-business company is giving us a practical opportunity to try out e-business. The pilot program takes in the inventories of four of our total vendor maintenance companies — Baker Oil Tools, Camco (Schlumberger), Sulzer Wood and valve suppliers Score. In addition, two of our key contractors subscribe, so we can see BP stock held by drilling contractors Deutag and service-provider Asco.

What is the system all about? Well, it's not unknown for an asset to need a high-value spare part in a hurry to avoid downtime. It might be a pup joint or a crossover. We can contact our suppliers, or even a nearby platform, to see if the part is available. But that is a hit and miss affair, and eats up valuable time. Because we can't see the inventory of parts held across the BUs in a number of different systems and locations, we usually end up carrying critical spares in each BU. Until recently, we simply didn't know and couldn't see what other platforms and assets held in store. Now with an innovative Internet-based stock system we have that ability.

This is how it works (*Figure 1*). Using a simple software programme, we regularly upload information on inventory from the pilot sites onto the database. The software is fully compatible with our existing management systems. What happens when we need an important spare in a hurry? We can get to the web site direct from our Intranet through the United Kingdom (UK) home page and Procurenent link. If you enter a description of the part you need, within moments you have a list of the BP maintenance and service sites which hold that part, complete with contact and asset information.

Both Schlumberger and Baker have uploaded all £11 million-worth of UK completion equipment into the database. This allows anyone in any of BP's UK BUs and both Baker and Camco to view the stock. This makes sure we do not order a new item for one BU if one already exists in stock in another BU. The vendor is signing up additional North Sea operators and they can also view the BP stock of surplus items. This has the potential to reduce significantly our inventory and maximise the value of surplus which we would otherwise scrap. The virtual warehouse currently contains some 27 million items from 167 sites in 23 countries around the globe.

Using an Internet-based system, we can also view our own production spare parts and those of our maintenance and service companies from one interface which is standard for all. This permits all other subscribers in the North Sea to view our production spare parts inventory through the system. Parts we mark as surplus to requirements are actively marketed by sparesFinder through its "trade centre." In return, we get to access information on spare parts held by other companies throughout the database. This gives us access to a really huge pool of parts, which leads to further economies without increasing risk.

In summary, the idea behind the Internet service is not only to save us time but also to save BP money. Take a look at the system yourself via the Intranet and see what is available. You'll understand why we have decided to take the lead with this new technology. It's the way business will work in future.

The address of the database within our system is:

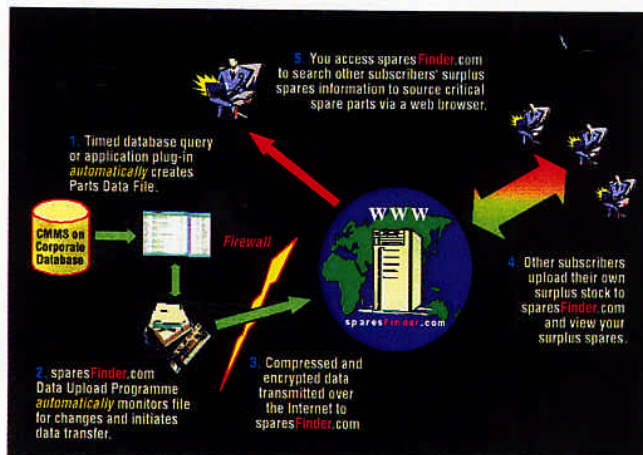


Figure 1: How the Spare Parts System Works.

Dan Gibson joined Amoco in 1979 in Alaska and currently is Completion Team Leader UKCS in Aberdeen. Previously Dan has worked in Gabon, Egypt, Alaska, Russia, Congo and Houston and Denver in the USA.

Paul Mayer joined sparesFinder in February 2000 and currently works as Business Development Manager, Upstream. Previously, Paul has worked in supply chain, marketing, sales and information technology in the pharmaceuticals and insurance industries. His degree is in Chemistry from Manchester University.

HYPERLINK

http://aberdeen.bpweb/bp.com/procurenent/sparesFinder/sparesFinder_com.htm *