

OIL & GAS

CHALLENGE

A major oil and gas company was concerned about rapidly rising steel prices and was considering locking in prices for the following year given supplier suggestions that future price hikes were imminent.

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SOLUTION

IHS advised the client not to enter into a contract with locked-in prices based on their estimates that steel prices would spike temporarily, then return to previous levels in the near future.

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RESULTS

The client saved over US\$10 million by heeding IHS analyst recommendations and delaying its purchase.

“Our successful supply chain transformation was directly linked to better supply market data and external analysis. Our IHS subscription allowed us to shape supply strategies and negotiations with confidence and insight...which led to value creation”

