LUKOIL MID-EAST: Achieving Procurement Transparency with SAP® Supplier Relationship Management

LUKOIL MID-EAST LTD. (LME) operates the West Qurna-2, a large oil and gas field in Iraq. Tight field development timelines and ongoing construction demand a **precise but flexible supply of materials.** Facing a large number of operational routines and procurement processes and a new market of Iraqi suppliers, LME turned to the SAP® Supplier Relationship Management application.

Partner

PARMATELECOM

LUKOIL

Executive overview

Company
LUKOIL MID-EAST LTD.

Locations
Basra, Iraq
Dubai, UAE

Industry
Oil and gas

Products and Services
Oil field operation

Employees
6,000

Revenue
US$3 billion

Web Site
www.lukoil-overseas.com

Partners
Parma-Telecom LCC
LUKOIL Inform LLC

BUSINESS TRANSFORMATION

The company's top objectives

- Ensure fair competition between material suppliers
- Create a single repository for tender documentation, history, and results
- Follow international industry classification standards for suppliers, materials, and services

The resolution

- Created a registry of prequalified suppliers
- Utilized First Point Assessment (FPAL) classification tools and services
- Helped ensure a high level of security to avoid potential corruption

The key benefits

- More transparent, manageable procurement for confidential and unified processes and supplier-buyer audit trails
- Larger supplier database, enabling strategic procurement initiatives by cutting time spent on smaller purchases
- Wider supplier base and equal opportunities, increasing supplier competition

"The SAP Supplier Relationship Management application helped us optimize our procurement processes and establish transparency. It also helped us increase our supplier base and sped up the purchasing process by eliminating paperwork."

Beltiukov Ivan Vsevolodovich, Director of Procurement and Contracts, LUKOIL MID-EAST LTD.

TOP BENEFITS ACHIEVED

15%
Faster purchasing process

50%
More suppliers

20%
Fewer mistakes in purchasing documents

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