

# The development of swire oilfield services (SOS)

[Business](#), [Company](#)



Swire Oilfield Services (SOS) has been operating as a subsidiary of a 200 years old business of John Swire & Sons Ltd since 1979 and SOS has become a global supplier of specialized offshore cargo carrying unit (CCU) to the global energy / Oil & Gas industry with a world-wide asset owned fleet of over 55, 000. SOS provides wide-ranging service offering including complete solution of asset lifecycle management carried through a variety of services including testing, inspection, engineering and design, equipment maintenance, engineering services and bespoke fabrication, certification management, Chemical & Helifuel tank services, and modification solutions. SOS has a footprint in all key oil and gas regions in the Asia Pacific, Middle East, Africa, Europe and North & South America and this is including 29 countries, 61 bases and a team of over 500 staff across around the globe. Asia Pacific bases have been operated since 2009 with the regional hub in Singapore.

SOS delivering offshore containers, tank, and equipment, logistics and aviation services through SOS extensive network of strategic regional partners and Swire affiliate companies. To date, SOS has bases in Exmouth, Broome, Darwin, Karratha, Perth, New Zealand (New Plymouth), Indonesia, Malaysia, Brunei, Thailand, Myanmar, Vietnam, and India. The infrastructure presence in various location and SOS long-term growth plan providing reassurance as a committed supplier to supporting their customers business, anywhere in the world. SOS equipment and services adhere to the complex offshore safety rules and regulations. It's all about delivering the quality, engineering design, and reliability. SOS Vision and Mission Statement Vision – “ As the leading provider of specialist offshore containers and services,

Swire Oilfield Services' long-term success depends on our ability to continually improve our products and services, while protecting our people and the environment. To this end, the Vision 2020 strategy has been established and delivered to align all business objectives to five strategic pillars; Winning Team, Operational Excellence, Diversification, Customer Relationships and Financial Success" (Swire Oilfield Services, 2017).

Mission - " To provide safe, highly cost-efficient services and solutions to the cargo handling and logistics industry, while continuously striving to be the easiest company to work with" (Swire Oilfield Services, 2017). Just-In-Time (JIT) - JIT is a strategically planned activity, the goal is to maximize production with minimal maintenance of inventory. The JIT concept suitable to different types of organization and manufacturing activities is more applicable to JIT concept. Workers and Management performance are essentials for JIT concept to succeed. JIT principles including JIT manufacturing and ordering, lean management, Push-Pull System, Signal System (Kanban) and removal of waste. From these attributes, JIT leads to consistently improvise production and order processing, to remove irrelevant procedures and activities, upgrade and simplify the existing systems, establishment total quality management, and safe environment and invest in workers with training and development (Kaplan, 2017).

SOS has 55, 000 asset owned rental fleet around the world and located at strategic bases, this allows SOS to deliver CCU at the shortest lead time within the requested area. Standard design CCU and the most sought unit type based on customer's demand, this unit type and volume will be placed

in each of the bases to fulfill the utilization requirement. Operations personnel always located in the yard to do the day-to-day operations such as maintenance, preparation, receiving and load-out activities. At times, their services will be required on-site as and when is required.

Total Quality Management (TQM) - To sustain a long-term customer satisfaction and loyalty, it is important for an organization to operate with Kaizen (continuous improvement), structured efforts, reliability, resilience, progressive advancement, and reliable suppliers. Research and customers feedbacks are useful data to improve the quality of products and services. The accountability lies with everyone working in the organization. PDCA cycle concept can be a guideline for TQM development of systems, work culture, services, and processes. Plan - Planning is the initial and critical stage of TQM. At this stage, it is necessary for the employees to identify and analyze the root cause of the issues and challenges which need to be tackled in their day to day operations. To carry out research and data collection is important to find key-answer to the issues. Do - Doing stage is when employees create a solution for the problems identified in a planning phase. Strategies are planned and applied to eliminate the challenges faced by employees. The success of strategies and solutions is also evaluated in this stage. Check - Checking stage is to check the efficiency of the processes and results to be measured based on the before and after an investigation. Act - The outcomes are captured and documented and move on to address other issues.

Swire Oilfield Service: HSE Full Circle. In an Oil & Gas and Marine industry, it is essential to work with a pool of companies that have established the International Organization for Standardization (ISO). This creates a quality assurance of products and services that adhere to the maintenance of some international accreditation criteria. The HSE Full circle - Choice, not Chance is intended to represent SOS complete view that HS&E thoughts and comments must be included in their day to day operations. The use of the Circle / Cycle terminology represents the Plan, Do, Check and Act model of continual improvement as they review performance, policies, and procedures. To date, SOS is qualified and approved with Certificate of Registration i. e. ISO1900: 2008, ISO14001: 2004 and BH OHSAS 18001 2007. The entire fleet designed was built and services certified to DNV2. 7. 1 / 2. 7-2 / 2. 7-3, EN 12079, Lloyds Register, NORSOK, A60, FTC, CAP 437 and NATA. Re-engineering - It is the changes to the entire specific process that requires an overhaul.

Company to refocus on what customer needs, Information Technology assistance help to improve in redesigning the basic processes, reorganizing the end-to-end responsibility process among the cross-functional team, readdress core organization and business process issues. By removing unproductive activities for the specific job assigned to the employees, this process helps to minimize cycle times and costs and cycle times. The team reorganization with less management control approval, this speed up the information flows and higher chance to avoid any double work due to errors caused by many handovers. This will help to improve the employee's performance and the output will be measured from the achieved quality

(Bain & Company, 2018). For SOS organization, aside from standard CCU supply for the rental option, SOS does cater to a customize design unit as a sales option to the customers. Re-engineering process is required when the requested volume is high, and CAPEX has to be included into the project. This involves the whole entire process of design engineering, business process engineering review, business case model approval, order review/approval pack, manufacturer kick-off, production, final, and final delivery.

Flexibility – Due to fast-changing production needs and requirements, flexibility refers to the capability of a manufacturing system to respond to design, cost and service effectively. This competency capability is imperatively important for the design and operation of manufacturing systems, as these systems function in unpredictable environments and highly inconstant requirements. It is essentials for manager and system designers to determine the percentage of flexibility required to obtain a specific level of performance and to understand of diverse levels of flexibility. SOS has an In-House team of technical and design engineers working progressively towards excellence. Their responsibilities are to provide detailed bespoke solutions to the customers with professional Auto-CAD drawing and provide a free consultation as when is required. This is one of the competitive advantages of SOS which is not to be found among their current competitors in the market. Alternatively, the flexibility applies to be creative with existing design example to add on extra features to accommodate customer's requirement and this will minimize time, costs, production, and logistics.

Time-Based Competition(TBC) - TBC is derived from the JIT concept and applies to every phase of the product delivery cycle, collected data information through business development and final product delivery. It is important to produce a high-quality product but as time changes and demand a quick response, a high-quality product is not as critical as on-time delivery when it comes to urgent requirement. The entire process of reducing the time of proposal creation, design engineering, production and delivery, time is the major factor is the business to achieve competitive advantage competency in maintaining and sustainability. Therefore, a company must review the current processes and adjust the structures of decision maker for design, produce and delivery timeline.

Time-Based Competition: Reference for Business. SOS current global total fleet of 55, 000 and located at strategic bases in several countries do a lot more of time savings for customers. All units are checked and inspected upon return from any project and this method helps the operations team to work efficiently. Especially when there is an urgent requirement, the unit is ready to be load-out on the same requested day with complete certification pack. For customized design solution that will require short lead time based on customer's requirement, the team will review the concept and will minimize the irrelevant areas and replace it with the existing design that is able to match the customer's concept or ideas with minimal adjustment.

Supply Chain Management (SCM) - SCM responsibilities involving a wide range of activities from product development, sourcing, manufacturing, shipping and data input systems is required to needed to organize and synchronize these activities.

The SCM is connected through physical flows i. e. these tangible processes comprise the transformation, flow, storage of materials and goods.

Information flows i. e. SCM partners to monitor the entire movement of materials and goods and to organize a long-term strategy. It dictates a mindful determination by the SCM to progress and executes supply chains with efficiency and proactiveness to accomplish a sustainable competitive advantage, customer's satisfaction and value.

Elements of Supply Chain Management: Kaplan Higher Education – OM/V3. 8

SOS has gained partnership with various international manufacturers to supply customer's demand in the specific region. The SCM and Logistics department is centralized in the United Kingdom. This team will receive enquiries from intercompany from all over the world and provide competitive pricing by out-sourcing the reliable vendors. They are obliged to provide details within three days from the date of received enquiries and any longer than that it will raise a red-flag and affecting their Key Performance Indicator (KPI). Analysis of global marketplace, and environmental issues in operations management.

There are many challenges international businesses are facing in this current economy. All organizations are well connected and competing against competitors from another country. Managing global supply chain operations has become more complicated with the emerging of globalization activities. Most international manufacturing companies nowadays, outsource their vendors to third-party companies around the world and if the outsourcing is managed effectively, it helps to minimize the supply chain operating costs.

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Globalization has open the doors to reach out new or potential customers and at the same time, the company is exposed to external threats from bigger competition. Although there are cost savings and benefits can be obtained from outsourcing, supplier and materials are expected to handle this on an international scale with certain risks to be put into consideration (Kaplan, 2017)

Different Cultures and Languages Internet phenomenon has played a great deal in international businesses to operate and activities can be operated 24 / 7 across the globe with different time zone. Although English is the main language for all communication, in certain countries with non-English speaker, there is a high probability that they might be facing a problem in communicating and to comprehend the instruction and requirement. It is important to learn other cultural differences if the company would like to expand to the international market. For most companies, they will use a red colour as a sign of a red flag or danger but in China, it is a sign of good luck. Therefore, being ignorant of other cultures could have a significant impact on the business and so it is important to have a team that understands the language and culture for a smooth business transaction.

Legal All international businesses operating across borders will be exposed to local regulations, laws, and taxes regardless if the business is a large organization or an online business. It is important to have the knowledge and latest updates pertaining to local laws, rules, and regulations as different countries have a different set of jurisdictions. Environmental A green environment has made a big impact on most business and even now it has

become a lifestyle. Taking part in supporting to preserve or protect the environment from global warming is highly welcome in most of organization. Do take into consideration that different countries will have different ways of tackling packaging, energy consumption, and recycling. Conclusion Although out-sourcing generally meant to minimize time and operating costs, SOS company that is operating across the globe is exposed to several risks although there are benefits that can be exploited by the situation. However, from the analysis, SOS is moving towards to their mission and vision i. e. the year 2020 winning team and to be the easiest company to work with.