

Creating a multi-year market intelligence program for a major Middle Eastern National Oil Company (NOC)

Situation



A major Middle Eastern NOC had established a new team with responsibility for providing project execution market intelligence. The team was tasked with answering the following key questions: Can we execute our project portfolio? What are the risks and opportunities? How can we take advantage of the underlying market conditions? IHS Markit was approached to support the team by developing the necessary models and analysis to answer these questions and deliver a report detailing findings and recommendations.

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Action



Upstream Oil & Gas Consultants:

- Collated, described and analyzed the prevailing macro conditions, and assessed the extent of comparable project activity at a global, GCC and individual country level
- Used a top-down methodology, leveraging on IHS Markit proprietary data, to derive global capex estimates in similar industries. In parallel, IHS Markit employed a bottom-up approach methodology to derive GCC and country-level capex estimates, by analyzing more than 8,000 projects
- Developed more than 500 rules to categorize global, GCC and country capex into three Engineering, 15 Construction, and 14 Procurement classes, across 29 types of projects
- Led an interview process with more than 150 companies in the Engineering, Procurement and Construction markets to obtain market perceptions and supply estimates
- Developed a dashboard to bring the researched supply and demand information together and who the impact on the company's ability to deliver its portfolio and to take advantage of the opportunities in the supply chain market

Result



IHS Market brought together a global team of 30 in-house experts and provided powerful insights using proprietary market intelligence data for global and regional markets supplemented by in country research and discussions with suppliers. IHS Market worked with the company to identify risks and opportunities within the supply chain for the company's procurement demands and providing mitigation recommendations which were implemented by the client with successful result to prevent project delays and reduce costs (e.g. increase in suppliers, use of longer-term contracts, etc.).

IHS Market developed a long term relationship with the client over the years. Since the original study in 2012, they returned to IHS Markit to supply market intelligence information and insight on monthly, quarterly and annual basis. IHS Markit's contribution has become an integral and essential part of the client's market intelligence workflow. The success of the project paved the way for the establishment of the company's market intelligence team / unit which supplies market intelligence insight to all levels within the company, from the C-suite to the procurement teams.