

Opening up a world of new opportunities for Aramco through 4PL solutions



A supply chain puzzle in need of integrated logistics solutions

The concept of 4PL emerged a few years ago when large businesses started noticing complexities in their supply chain multiverses. Due to the size of their operations, changing requirements, and evolving markets, regional supply chains often worked efficiently but without cohesion.

Aramco Chemicals Company, a leading global petrochemical company, was in a position where they realised that their supply chains were too scattered to monitor effectively. So, they wanted to partner with a leading logistics service provider that can effectively manage the complexity of their logistics in line with their growing ambitions and operations.

The first tender was for Petro Rabigh, their Saudi Arabian joint venture with Sumitomo Chemicals, Japan.

The quest for a perfect 4PL partner to address unique needs

Aramco's ambition was to upgrade from their existing service provider of 4PL services to someone who can match their expectations. From their previous experience, they knew exactly what they wanted

- A true partner to support new projects, JVs, and business in different countries
- Global presence was key
- Visibility throughout the supply chains, especially across hubs and plants
- Improve inventory management throughout the supply chain
- Reduce logistics costs due to pressure in the chemical segment
- Lean processes with measurable milestones and service levels
- Drive automation and eliminate manual handover points to reduce errors
- Rapid response to changing customer demands and markets, replicating solutions in different locations (whenever needed)
- Additional hub solutions in the Middle East and Asia for better and faster service to their customers

Besides these requirements, Aramco's leadership team was keen on a 4PL solution that was more of a partnership than a reactive arrangement. A partner who would make an effort to understand the heart and soul of their business before devising solutions.

Our blueprint to creating supply chain harmony

Maersk began by diving deep into Aramco's business to get a clear understanding of their operations. This helped us in building the right team of experts, who would approach all the solutions through the lens of reliability and scalability.

A few of the significant implementations were in the fields of



BOOKING MANAGEMENT

Maersk acting as a Booking Agent party with the different carriers selected by Aramco every year.



KPI DASHBOARDS

Maersk providing Aramco with end-to-end visibility across their supply chain and through different tools and platforms, having built ad-hoc Supply Chain Intelligent Dashboards as per Aramco's needs & requirements.



CARRIER AND DOCUMENTATION MANAGEMENT

Maersk managing the end-to-end shipping process with other carriers on behalf of Aramco, monitoring their performance, and leading correct improvement actions when needed.

Maersk managing the end-to-end documentation process for Aramco, including Packing List, COO, Invoice, Customs Clearance, OBL, and other necessary documents for the export process.



WAREHOUSING AND DISTRIBUTION

Warehousing solutions managed when necessary, as it's a key service component of the solution in South Korea.



HUB-IN-TRANSIT (ORIGIN AND REGIONAL)

Hub Management, a key service component of Maersk 4PL for Aramco, included managing multiple locations and different type of warehouses as per customer's needs across the world.



FREIGHT AUDIT

Maersk receiving and validating invoices from the different carriers, ensuring complete adherence to Aramco's contracts with shipping lines, helping them reduce their administrative costs while improving payment behaviour towards their suppliers.

Through a cutting-edge 4PL solution, Maersk provided Aramco with complete visibility throughout their supply chain. They could now coordinate easily between all the stakeholders and suppliers through dedicated teams.

Over the next few years, the partnership grew for two more businesses: S-Oil in South Korea and PRefChem in Malaysia.

"We've been using Maersk 4PL services since 2017 and I have to say that they have transformed the way we do business. Real-time shipment visibility, frequent updates on market condition and proactive response to challenges are the key features which provide us with critical business insight that allow us to make fast decisions in a dynamic and competitive marketplace."

Rafey Ali

Supply Chain Director, Aramco Chemicals Company

Delivering value with the power of diverse 4PL solutions

Maersk, through a truly global 4PL solution, is delivering Aramco additional value throughout their supply chain, irrespective of the country or the complexity of the solution that needs to be managed. This is made possible through our partnership mindset, focus on execution, process optimisation throughout contract duration, along with our scalable and replicable solutions across the world. This, coupled with a fully dedicated and trained team for Aramco, made our solution a unique one for the world's leading company within the chemical segment.

The value provided to Aramco is diverse and comes from different sources and initiatives implemented like

- Internal Hub model, helping Aramco to faster and better serve their key markets across the world, reducing lead time, and improving service towards their customers.
- Consistent and reliable KPI performance for different assets, with an exponential accomplishment every month.
- Co-creation projects such as Sourcing App, helping Aramco to manage multiple inventory locations in an optimised fashion, handling the decoupling point between push-pull Supply Chain.
- Monthly and Quarterly business reviews that included performance monitoring of other suppliers through tested and proven methodology, and leading corrective improvement actions when necessary.
- Supply Chain Optimisation projects, simulating “as is” vs. “to be” scenarios and quantifying tangible savings for Aramco from proposed set up. High-value savings per container were identified in KAP Hub analysis.
- Multiple benefits from Key Account Management methodology, with Account Manager measured on the performance of the supply chain, agreed KPIs, the sustainability of the solutions, as well as the NPS score afforded by Aramco.
- Supply Chain Intelligence Dashboards created ad-hoc for Aramco, covering their specific needs in and around visibility and analytics.
- Market Intel with relevant updates and best practices being shared with Aramco on every week, keeping them up to date on relevant news and trends in the chemical



