

Vendor-Managed Inventory

Background

One of the top oilfield services companies in Oman was facing persistent inventory challenges across multiple Product Service Lines (PSLs). Overstocking had built up over time, resulting in a high volume of aged and expired items. Limited inventory controls were leading to shrinkage, while sourcing and carrying costs continued to rise. These issues were further intensified during the post-COVID period, when supply chain volatility and inflation put additional pressure on operational efficiency.



Client Challenge

The client required a structured and accountable inventory management model that could reduce excess stock, improve service levels, and lower overall costs, without impacting field operations. The solution needed to work across service lines, ensure availability of critical items, and meet strict Health, Safety and Environment requirements.

GET Global Group's Solution

GET Global Group implemented a fully outsourced Vendor-Managed Inventory solution, the first of its kind in the Middle East oil and gas sector. The engagement covered end-to-end inventory ownership, including demand planning, sourcing, warehousing, stock control, and service level management.

GET introduced stronger inventory controls, rationalized stock levels across PSLs, and improved supplier pricing through consolidated sourcing. Clear performance metrics were established to track cost savings, delivery timelines, and order responsiveness, while ensuring uninterrupted supply of critical materials.

The VMI model was executed safely and reliably throughout the engagement period, including during phases of supply chain disruption and high inflation.

Results Achieved

- **15% average monthly direct item price savings** compared to operations prior to GET's involvement, even during post-COVID inflationary conditions
- **USD 11 million moved off the client's balance sheet** through inventory rationalization
- **69% reduction in inventory levels** across PSLs
- **87% average on-time delivery performance**
- **95% average order response time** within agreed Service Level Agreements
- **Reduction and reassignment of 3.5 fixed-term client roles**, lowering manpower overhead
- **Zero HSE incidents** throughout the project duration
- **Zero delays in critical items**, ensuring uninterrupted operations

Value Delivered

By taking full ownership of inventory management, GET Global Group helped the client significantly reduce costs, improve service reliability, and free up working capital, while maintaining strong safety and performance standards. The success of this multi-year engagement demonstrated how a well-structured VMI model can deliver measurable operational and financial benefits in complex oilfield environments.