

Case Study Oman Petroleum

Bringing structure to
Petroleum Development
Oman's travel programme



US\$9m+

Annual travel spend

5000

Travelers

US\$500k

Savings in first six months

About Petroleum Development Oman (PDO)

A leader in its industry, Petroleum Development Oman (PDO) accounts for more than 70% of Oman's crude oil production and nearly all of its natural gas supply. PDO is a consortium of the Government of Oman (60%), Royal Dutch Shell (34%), Total (4%) and Partex (2%) and is the second largest employer in the Sultanate after the government. It's a big business. The organisation operates around 130 producing fields, close to 6,000 producing wells, a workforce of 7,700 and more than 60,000 contractors.

PDO has a shared vision with FCM. A vision to be renowned for the excellence of our people and respected for the value created for Oman and all stakeholders. A common goal to empower employees and drive excellence in our respective fields. It's this solid partnership that has delivered a streamlined travel management solution for the company's annual travel spend of more than US\$9 million.



Before: ad hoc solutions

PDO was working with multiple travel agents in the Oman travel sector. A fragmented approach created challenges for PDO's team.

- Lack of historical data and insights into PDO's annual travel spend. The team had no visibility and could not control expenses.
- Unknown amount of total travel spend across PDO, which emerged as USD\$9m.
- Poor reporting tools and blurred data. Volumes could not be leveraged to get discounts and further value.
- No or minimal policies to guide travel authorisation and expense management.

A lack of consolidated data was a challenge for FCM. Data is needed to onboard our clients smoothly and quickly optimise their travel spend. To move forward you've got to know where you've been. But it wasn't impossible.

After: Step into the spotlight, FCM

Our team got to work on:

- Getting a thorough understanding of PDO's travel requirements, existing policies and traveller behaviours to start sculpting a programme that would drive results.
- Better understanding PDO's requirements by researching frequently used airlines, hotels and car rental companies and refund policies.
- Identifying where PDO could minimise their spend on a daily, weekly and monthly basis by digging into MIS reports. A first for PDO, who now had access and transparency to this data.
- Introducing an online booking tool with profiles for over 5,000 employees and their families. Profiles include travellers' passport numbers, visa details, visa expiry dates, passport expiry dates, crew rota dates and PDO's travel policies.

Smooth and measurable travel programme

Monitor and measure were at the centre. FCM implemented strict KPIs to monitor and enhance the service delivered to PDO. Factors measured include turnaround time, number of options per booking, savings compliance and adherence to travel policies. Results included:

- Implemented travel services across all of PDO's markets and travel spend.
- Consolidated PDO's travel programme to improve policy adherence and smarter buying.
- Savings of \$500,000 in the first six months and a further \$700,000 during the second half of the first year.
- 10% saving in the first year alone and savings on hotels
- The online booking tool contributed to savings but also brought traveller behaviour in line with company travel policies.
- Booking and approval process streamlined through the online booking tool and dedicated account management team. Justifications for overrides were identified.
- FCM was able to leverage PDO's travel volumes to secure competitive supplier deals.

“The business intelligence uncovered by FCM's comprehensive reporting solution has really made a difference to our business. The data coupled with the expertise of our account manager really opened up our eyes and had given us a solid basis to make informed decisions resulting in significant savings in our travel category”

MOUZA AL MAHROUQI, HEAD OF SHARED SERVICES,
PETROLEUM DEVELOPMENT OMAN