

## 23 ° Annual Symposium ANIMP





# Saipem new Organization aims at covering the full value chain of the Energy industry

E&C OFF SHORE







E&C ON SHORE





DRILLING OFF SHORE





DRILLING ON SHORE





- Distinctive 'frontier focus' in Energy industry
- Modern and technologically advanced offshore construction fleet
- Full service EPC(I) provider
- Distinctive technologies
- Unique capabilities

 High quality player in both onshore and offshore drilling

XSIGHT



FEASIBILITY STUDIES & MASTER PLANNING

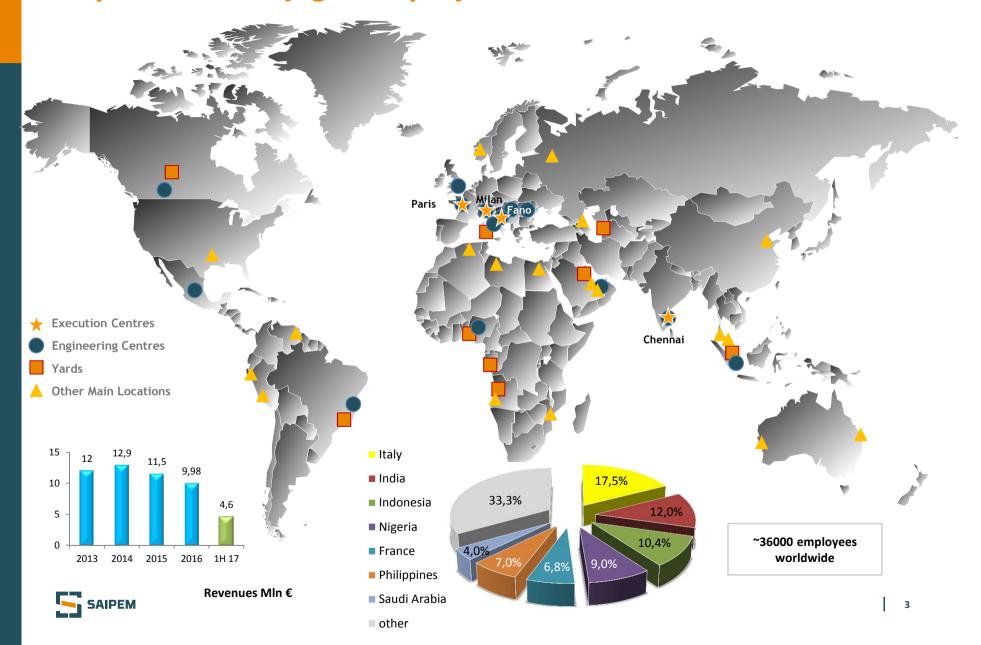
CONCEPT DEFINITION (Pre-FEED)

FEED & PMC

- Early engagement of key clients
- Full expertise across the entire value chain



## Saipem is a truly global player with a multi-local focus



## Saipem has decided to react to the current and future market scenario adopting a new business model based on 3 pillars

#### MARKET ENVIRONMENT

Unprecedented E&P capex reduction

#### **INDUSTRY CHALLENGES**

Changing technologies, resources and processes

#### **COMPETITION**

Increasing opportunities for strategic alliances

#### **EFFECTIVENESS**

ORGANISATIONAL SHIFT

0F

**PRINCIPLES** 

KEY

- Leaner Corporate Organization
- Tailored processes specific for each business
- Agile decision making

#### FULL ACCOUNTABILITY

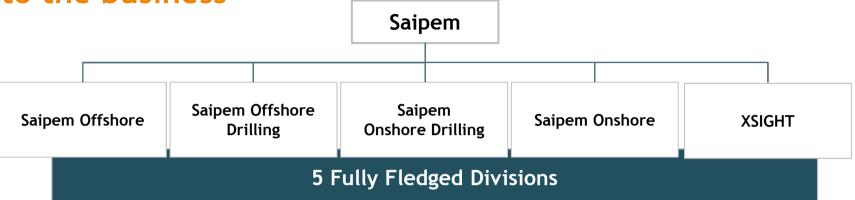
- Stronger control over Targets
- Improved coordination and alignment between Staff and Business

# ENABLING STRATEGIC M&A AND PARTNERSHIPS

- Increased portfolio management flexibility
- Strategic review of business lines enhancing M&A opportunities
- Facilitated partnerships



Saipem new model's objective is a leaner organization and a decentralized model, with procurement located closer to the business



#### **OLD**

- Business Units focused on operations with shared Corporate / Staff Functions
- Engineering and Procurement Functions serving each Business Unit
- Multiple coordination layers among Businesses
- Standardized and complex processes derived from the oil company model

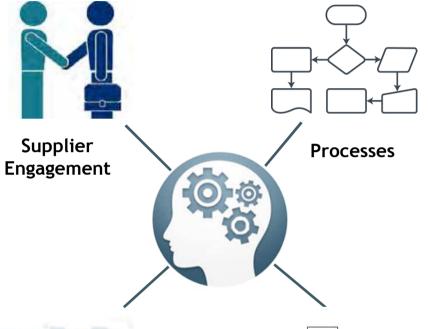
#### **NEW**

- Divisions / Legal Entities with dedicated Staff functions and leaner Corporate structure
- Procurement and Post Order dedicated to each division and close to the projects
- Reduced coordination layers among Businesses
- Customized and simplified processes



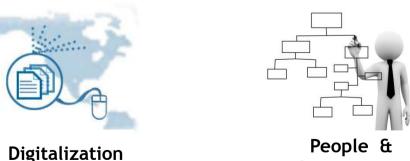
## In each division Procurement has started a process of deep transformation

• From transactional to a collaborative supply chain



- Streamlining of processes of **Vendor Management and** Procure to Pay
- Review of our approach to the market (e.g. commodity structure)
- Re engineering of strategic procurement approaches

- Digital transformation and integration within the EPC machine involving our suppliers
- Digitalization of most transactional activities

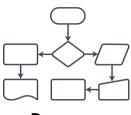


People & Organization

- Integrated supply chain
- New mix of resources and competence not only from procurement



## Redesign of our way of working



**Processes** 

Ongoing definition of new processes tailored to the specific procurement needs of each Division/Business with an early engagement and a tighter relationship with suppliers

#### PROCUREMENT APPROACHES

- Streamlined and tailored to business authorization steps
- Early engagement during commercial phase
- Co-engineering
- Beauty contest
- > Fast track procurement
- Simplified vendor management
- **>** ..

# Optimized workflows Review of Vendor Management Process New tailored regulatory

Commodities
Tree review

**PROCUREMENT PROCESS** 



documents (GTC)

### We are re-shaping our organizations





- New organization and footprint tailored for each business:
  - Organized by categories for Onshore Projects
  - Regional Hubs for Offshore (i.e. Africa, Black and Caspian Sea, Persian and Arabian Gulf, America, Indian Ocean)



- New mix of resources not only from procurement
- Investment in new talents



• Focus on Integrated Category Management (i.e. Machine& Packages, Transport, Piping, Structural Materials and Static equipment, Electric and Instrument, Subsea Valves)

#### Saipem Procurement Key Numbers

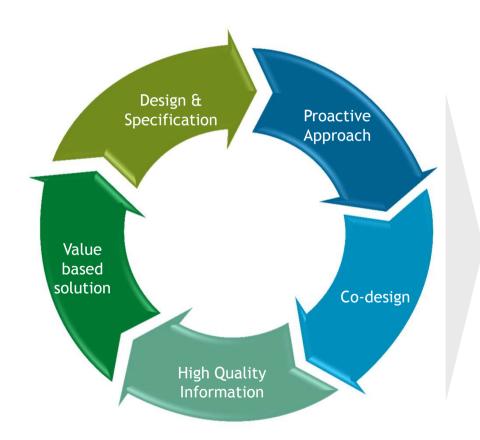




# A new way of working with suppliers and partners to meet market challenges



From transactional traditional procurement to a collaborative supply chain



Collaboration, transparency of information exchange

Joint assessment and evaluation of Project and Vendor's risk

Focus on co-creation of value based solutions by promotion of innovative and / or alternative solutions

Medium / long term and strategic approach to the Vendor

Early engagement to improve commercial performance

Integration of systems and procedures



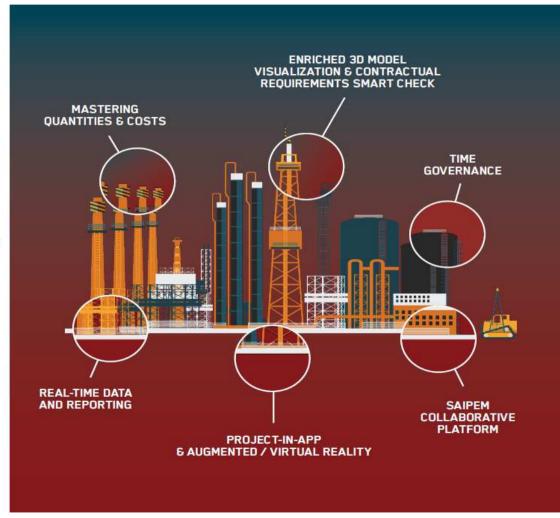
# Saipem Procurements is strongly involved in the digitalization process of the EPC machine



#### Digitalization

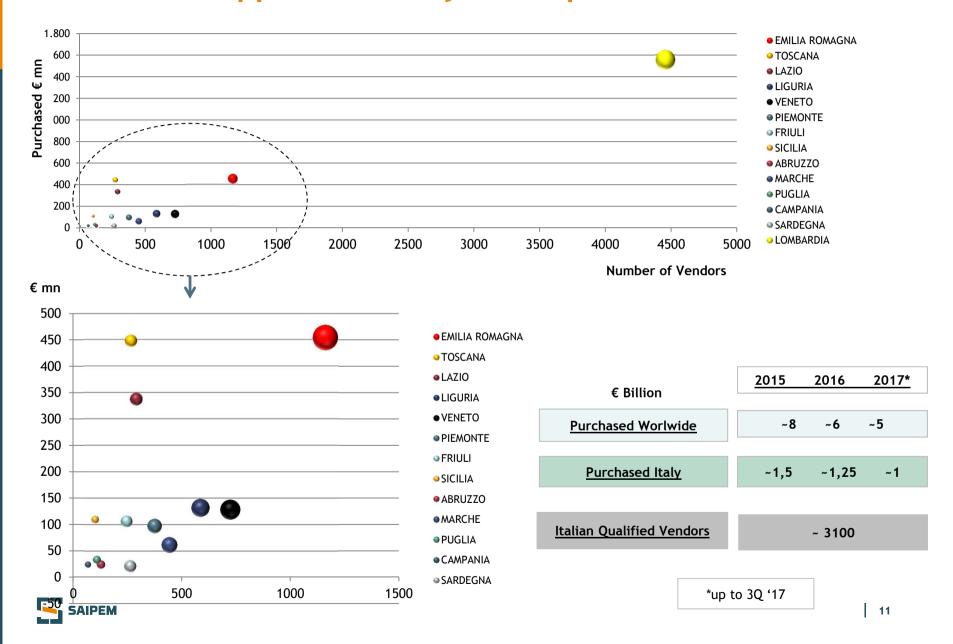
#### xDIM® - SAIPEM AS ENGAGING PlatFirm

- Digital collaborative platform integrating the stakeholders' activities along the full project life-cycle
- Adoption of a strong collaborative approach, enforcement of a datacentric methodology of co-creation and redefinition of work processes
- Real-time decision making, increased productivity, improved risk & opportunity management, continuous handover to client, reduced claims or litigation



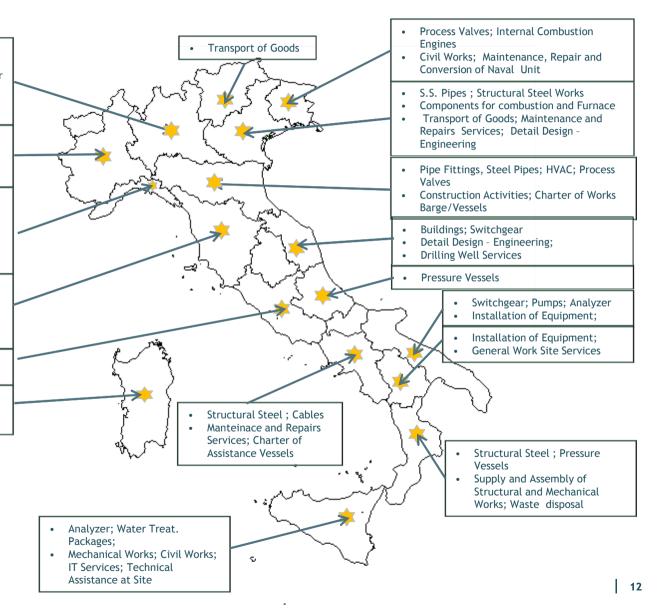


## The Italian Suppliers are key for Saipem Success...



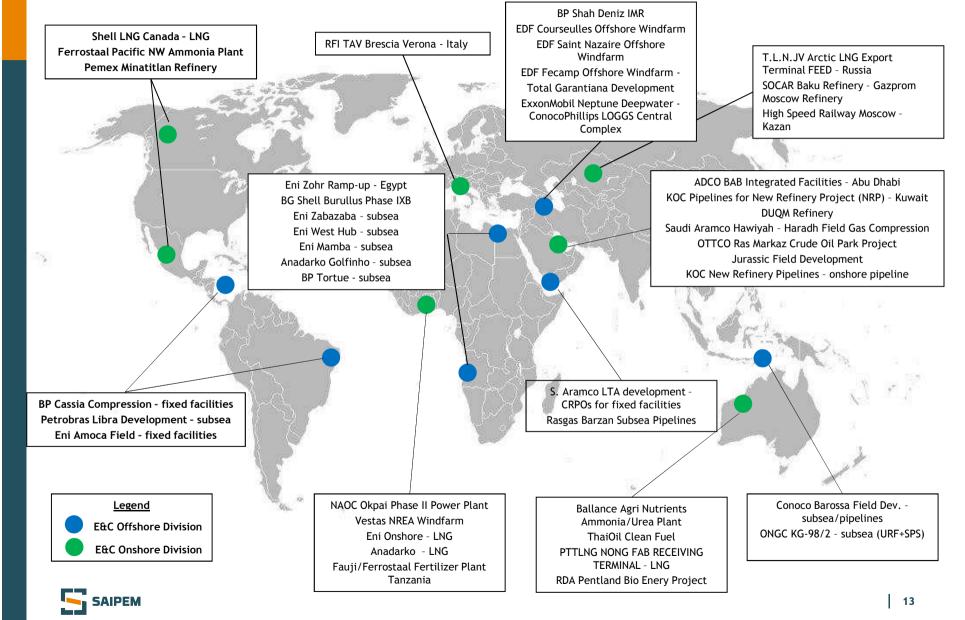
# ... well distributed in the country, representing a relevant component of Italian industrial footprint

- Process and Control Valve; Pumps
- Heat exchangers; Flanges, Pipes & Fittings; Compressor, Boilers & Water Treat. Packages
- Detail Design Engineering; IT service; Transport of Goods
- Welding Machine and System
- Turbines; Pipes
- IT service; Maintenance and Repairs Services
- Welding machine and system
- Electrical Material for Distribution
- HVAC
- Maintenance, Repair and Conversion of Naval Unit; Charter of Assistance Vessels
- Compressors, Turbine; Boilers; Pumps; UPS
- Subsea Works: Transports of goods
- Maintenance, Repair and Conversion of Naval Unit
- Incinerators; Boilers; Cranes
- Hire/Leasing/Rental; IT Services
- Analyzer; Welding Machines
- Mechanical Works; General Works at Site; Detail Design - Engineering





# .. to support Saipem engagement to pursue several opportunities



#### **Conclusions**

 Saipem supply chain is addressing the challenges of the new scenario transforming its way of working and its Business Model from Procurement 2.0 (price minimizer) to Procurement 4.0 (value creator)

 Procurement goal is to work with suppliers to ensure the best alignment with Saipem direction and strategy



• In the new context Saipem is willing to increase the value offered to the customers with all the knowledge, technologies, experience and resources available internally and through its supplier base

We need to work together to meet new market's challenges requirements and to be competitive

Saipem is open to work closely with you to develop **highly performing solutions** to deliver high value solutions for clients

