PTTES Optimizes PTT’s Oil Supply Chain with AIMMS

About PTT

PTT is a Thai oil and gas state enterprise company. It is a fully integrated upstream and downstream company covering oil and gas exploration and production, natural gas business, refineries and petrochemical plants and a network of main fuel and LPG terminals and retail stations throughout the kingdom.
**Problem**

PTT Energy Solutions (PTTES), a Technical Consulting firm that builds technical capabilities and enhances operational excellence for the PTT Group and Thailand’s oil and gas industry, was tasked with the development of a solution to optimize PTT’s oil supply chain network. The company’s immediate objective was to find the most efficient, timely and cost effective way to distribute fuel products from supply sources (refineries and imports) to demand locations (gas stations, power plants and industrial customers). On the long term, PTT was looking to identify the most optimal oil supply chain and assess facility capabilities to meet future demand. A number of factors were expected to impact the company’s capability, among them new government regulations for oil reserves and terminals, and pipeline extensions. It was essential to develop robust, reliable and sustainable expansion plans and get a complete view of the required investment.

**Solution**

PTTES and AIMMS co-developed a Network Optimization Application which is fit-for-purpose for the Oil & Gas Supply Chain. The application features include easy data transfer to and from Excel, multiple scenario analysis, advanced visualization of network changes and much more. With the App, the PTT team is able to:

- Optimize its distribution network and modes of transportation
- Understand cost-to-serve at all demand locations
- Find the optimum delivery envelope and reduce backhaul
- Find optimal locations for new terminals
- Identify the breakeven throughput fee for new pipeline investments and 3rd party terminals
- Optimize terminal operating hours
- Optimize blending locations

**Results**

- Cost savings of up to $24 million
- Ability to calculate the break-even tariff for new investments
- Ability to identify the optimal network and future expansion plan
- Increased supply chain and planning efficiency

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**Contact Us for a Demo**

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**About AIMMS**

The AIMMS Prescriptive Analytics Platform helps you evaluate and identify the best options to tackle your most pressing challenges with sophisticated analytics that leverage mathematical modeling and scenarios while pulling from multiple data sources. You can immediately gauge, not just what is likely to happen, but what you should do about it for the best possible outcome. Whether you seek to improve your strategy, planning, operations or transform your entire supply chain, AIMMS software is the ideal combination of being tailored to your unique situation paired with speed to value (ROI). That’s why teams at Shell, Johnson & Johnson, GE and Heineken and many more fire up AIMMS every day.

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