



Optimizing O&M for Sustainable Success in Saudi Arabia

Background:

Saudi Arabia is actively pursuing a transition to a sustainable, diversified economy as part of Vision 2030, emphasizing the empowerment of local talent. This shift is essential to move away from an oil-dependent economy, making sustainability a crucial factor for companies operating in the region. The escalating competition, both on a national and international scale, has prompted organizations to explore Environmental, Social, and Governance (ESG) practices for strategic cost advantages. Concurrently, Saudization initiatives and ESG reporting requirements set by the Saudi Tadawul exchange have become integral considerations for businesses.

Challenges



Intense competition for O&M contracts in Saudi Arabia challenges the client's ability to renew contracts while preserving operating margins.



Saudization initiatives complicate the attraction and retention of local talent, adding complexity to human resource management.



High power sector costs, constituting 18% of overall expenses, pose a financial challenge, requiring effective cost management for sustainable operating margins.

The Solution:

1 ESG Optimization for O&M

Implemented a comprehensive ESG strategy to optimize Operations and Maintenance (O&M) activities.

2 Efficiency Enhancement:

Conducted detailed materiality assessment and risk mapping to identify opportunities for improving maintenance efficiency without compromising critical assets.

3 Integrated Sustainability

Established ESG Key Performance Indicators (KPIs) integrated into internal systems, utilizing a phased approach that merged data analytics tools and ESG frameworks to devise a sustainable O&M process.

Benefits:

Implemented ESG strategies significantly improved the client's O&M structure, securing contracts with better margins. The optimization efforts reduced maintenance activities by 47%, ensuring customer satisfaction. Critical risk identification led to the adoption of predictive maintenance, and streamlined operations met weekly job plans 20% faster, supporting Saudization goals. This success enhances the entity's negotiation position for government contracts with a commitment to higher Saudization levels.

Ongoing initiatives involve refining SOPs, aligning with Aramco's ESG strategy, and utilizing monitoring tools for continuous optimization and efficiency.



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