



Bunker Purchasing Optimization Software

BOptimum is an software tool which minimizes bunker expenditures through an analysis of the key variables involved in the bunker decision – price, port, inventory draw down, supply availability, etc. Through a proprietary statistical algorithm that uses over 10 variables impacting operational and market constraints and years of historical data, BOptimum provides a continuous assessment of key variables and their impact on minimizing bunker costs while satisfying the constraints.

The complexities of today's changing markets and operations as well as increasing global competition have made cost controls and procurement decisions more important than ever before. Optimization of purchasing decisions through the use of statistical models is no longer simply a time-saving device; it is a critical component of operational best practices. In tomorrow's market environment, optimization of purchasing strategy will be a requirement for success.

Gone are the days when a purchasing officer could optimize purchasing decisions with a pad and pencil or even a simple spreadsheet. Today, the numerous continuously changing variables that affect the purchasing decision prevent an individual from developing optimal strategies on a consistent basis with simple calculations. The only way to control and analyze these variables in a rigorous manner is through the use of robust statistical algorithms such as those utilized by the BOptimum system.

Simply put, BOptimum is a tool that enables purchasing managers to make better decisions on a consistent basis, resulting in significant cost savings.

The BOptimum optimization process

- **Calculates Purchase Options:** BOptimum simplifies the purchasing decision by providing the user with the optimum solution to the more complex planning decisions of when, where, and how much to buy, as impacted by internal and external constraints over a vessel's voyage time horizon. The BOptimum process also allows for optimization of bulk purchases for a fleet of vessels intersecting at common ports in the future.
- **Limits Uncertainty:** BOptimum helps buyers deal with market uncertainty by enabling users to forecast and test various price scenarios to optimize the interaction of spot and future hedging policies.

- **Increases Visibility:** BOptimum provides visibility of 10 variables and will provide users with special alerts when key thresholds are reached. It will add confidence in everyday planning and purchase decision making, and provide operators with increased visibility into the internal and external events that may impact operations.

- **Allows for Superior Reporting:** BOptimum enables users to document and back-test their decision-making process, enabling more in-depth analysis and reporting of purchasing decisions.

- **Drives Rapid Decision Making:** BOptimum allows users to change key assumptions (price, port, inventory refill, etc...); operational constraints (stability, draft, schedule time sensitivity); and risk factors (quality, delivery, and inefficiency) and recalculate scenarios at the click of a mouse.

- **Enhances Audit Control and Performance Benchmarking:** BOptimum creates a performance benchmark against which existing bunker buying methods and decisions can be supported, measured, monitored, and back-tested to quantify and evaluate risk.

- **Allows Scalability:** BOptimum can be scaled from a basic refueling planning calculator - depending on fleet size and operation - to a more mature and integrated planning and decision-making module that accompanies a full Enterprise system.

- **Increases Information Flow:** BOptimum provides a common platform that can be expanded to incorporate input from multiple users (management, operators, planners, purchasing agents, etc...) and multiple departments (corporate, purchasing, operations, technical, audit, etc...), simplifying information flow and improving the transparency and effectiveness of the decision-making process.

- **Improves Financial Performance:** BOptimum will result in cost savings and a quick return on investment almost immediately for each purchase decision and also from end of year team strategic review of constraints impacting optimum group procurement

Benefits of BOptimum

- Calculates purchase options
- Limits uncertainty
- Increases visibility
- Superior reporting
- Improve financial performance
- Increases information flow

Bunker Logistics is the software development branch of LQM Petroleum Services. We have been in business for over 25 years helping our clients manage their business.

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