Pricing Volatility in Oil & Gas

How to turn market uncertainty into accurate fuel prices with SAP.

1

Oil Prices Are Volatile *(Even in Stable Years)*

Oil price volatility has always been part of the industry, even under relatively stable market conditions. In fact, according to both the <u>World Bank</u> and the <u>U.S. Energy Information</u> Administration, oil prices can move 10–16% yearly.

And the recent geopolitical tensions are introducing additional risk factors:

+$7–$12 per barrel

Risk premium for supply disruptions.

Forbes

Potential price spikes

In severe disruption scenarios.

Goldman Sachs

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2 **The Operational Challenges Behind Price Volatility**

Outdated Forecasting Models

Load, generation, and price forecasts run on separate models, making real-time supply–demand alignment difficult.

Disconnected Market & Grid Data

Trading platforms, SCADA telemetry, and grid operations data remain fragmented across IT and OT systems.

Slow Market Signal Flow

Price signals from wholesale markets take hours to reach dispatch, trading, or generation planning systems.

Limited Field Visibility

Limited integration between field telemetry, meter data, and operational dashboards delays grid response.

Trading–Operations Misalignment

Energy trading forecasts often fail to sync with generation dispatch and maintenance schedules.

Legacy Energy System Stack

Critical workloads run across aging SCADA, ETRM, and asset systems that are difficult to integrate.

3 **What SAP Tools Help Stabilize Volatile Markets?**

MODULE	FUNCTION
Hydrocarbon Product Management (HPM)	Manages complex hydrocarbon pricing, contracts, and product valuation across refining and distribution operations.
Production & Revenue Accounting (PRA)	Tracks production volumes and automates royalty, tax, and revenue distribution calculations.
Joint Venture Accounting (JVA)	Allocates operational costs and revenues across exploration partners and joint operating agreements.
SAP Commodity Management	Supports commodity trading, contract management, and exposure tracking to market price fluctuations.
SAP Integrated Business Planning (IBP)	Improves supply planning and demand forecasting using operational and market data.
SAP Energy & Natural Resources Solutions	Integrates upstream, midstream, and downstream operations within a unified industry framework.

COVERING THE THREE LEVELS WHERE PRICING IMPACTS:

Upstream operations
- SAP PRA
- SAP JVA

Midstream Operations
- SAP HPM
- SAP Commodity Management

Downstream Operations
- SAP IBP
- SAP Energy & Natural Resources solutions

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Our Experience

As an SAP partner for more than 20 years, Inclusion Cloud has helped global Oil & Gas and energy companies connect critical business processes with SAP platforms.

E N A P

Built an integrated SAP portal to automate order management and streamline commercial operations.

25%	**75%**	**100%**
Increase in order and dispatch centralization	Faster client communication processes	Reduction in manual PO upload resources

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aes

Automated enterprise data validation and monitoring processes to improve decision-making across multiple operational systems.

45%	**99%**	**Real-time**
Faster Response Times	Reduction in data input errors	data synchronization & analytics

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Transener

Developed a drone-based inspection application that analyzes tower images and integrates findings directly with SAP maintenance workflows.

35%	**90%**	**100%**
Productivity increase	Safer surveys	Online/Offline Scope

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From Market Volatility to Operational Resilience

Oil price volatility has always been part of the industry.

But geopolitical tensions, supply disruptions, and sudden demand shifts can move prices in hours or days, putting pressure on planning cycles that were designed for slower changes.

Adjusting prices, contracts, supply commitments, or logistics often requires navigating fragmented systems and manual processes.

And, when that happens, operational decisions can lag behind market conditions.

That's why many energy companies are modernizing how they manage pricing, contracts, and commercial operations, moving these processes onto core platforms such as SAP.

In a volatile market, the companies that react faster are often the ones that perform better.

But technology alone isn't enough.

These systems depend on clean data, reliable integrations, and experienced teams that understand both SAP environments and the operational realities of the Oil & Gas sector.

If that's something you're exploring, we can help.

**BOOK A DISCOVERY
CALL WITH OUR TEAM**