

Improving Supply Chain efficiency and systems enablement for a Mid-stream energy major

About the company

The client is one of North America's premier Pipeline and Midstream companies operating in three key areas – a. Transmission and Storage b. Distribution c. Gathering and Processing; Client has more than \$2 B spend every year on procuring material and services for their Projects and Maintenance activities.

Business Objectives

Improve supply chain efficiency by transforming, standardizing and consolidating key supply chain processes on SAP platform including Sourcing, Procurement and Inventory Management including interfaces with plant maintenance and project management organization and processes;

Business Situation

- Varied processes and IT systems across multiple geographies and countries;
- Poor inventory visibility leading to inventory obsolescence or stock out;
- High maverick spend
- Very high spend on urgent material shipment and transportation;
- Several acquisitions have led to poorly governed materials data – leading to inadequate transactional integrity and unreliable decision support system

The solution

- As-Is Process Mapping and Gap Analysis covering
 - Sourcing and Procurement
 - Inventory Planning & Management
 - Project, Maintenance and Operations process interfaces
- Sourcing and Procurement process redesign
 - High percentage of Strategic sourcing
 - Procurement processes for Projects, Planned maintenance, MRP based, Non-PO purchases
 - Implementation on SAP platform - MM, IM, WM, FI/CO, SRM, e-Sourcing modules.
- Inventory Policy and process Design
 - Multi-dimensional Categorization of parts

CASE STUDY

- Stocking policy decision strategy
- Continuous review of Service Levels

Business Benefits

- Significant improvement in strategic sourcing and reduced maverick buying
- Standardization, enablement (on SAP) and Institutionalization of Supply Chain processes
- Definition of key metrics aligned with organization roles and processes