

A Leading Energy and Petrochemical Company

Procurement Challenges

- Highly volatile global marketplace
- Frequent, unpredictable fluctuations in raw materials

Spend Management Initiatives

- Establish a single global platform and a single global process
- Maximize synergies from merger
- Gain visibility into sourcing processes
- Optimize the standardized sourcing and procurement process
- Identify sourcing and payables best practices
- Develop category management strategy

eSourcing Strategy and Execution

- Created central procurement group that oversees spend in each service/goods category, provides common sourcing systems and ensures sound business controls and volume leverage with each business unit to identify and pursue sourcing opportunities
- To optimize entire purchase-to-pay process, the procurement organization is responsible for sourcing and acquisition, payables, and warehousing and inventory management
- Ensure tight integration and collaboration between purchasing specialists and the business units to provide the needed expertise on goods and services to the business units while capitalizing on standard global processes
- Deployed a global sourcing systems platform to help streamline and reinforce procedures worldwide



Results of Ariba Spend Management

- A single, global integrated platform that automates the bulk of the company's sourcing processes and integrates with its legacy systems
- A run rate of 1,600 to 1,800 projects per month on the platform
- Solution deployed in more than 130 locations in 65 countries
- Significant return on investment through efficiency improvements and the ability to increase the focus of procurement resources on value-adding activity, specifically the ability to integrate and analyze data to increase the optimization of each supply chain