BPM-D

Enabling the Next Generation Enterprise

BPM-D® CASE STUDY
ERP PROCUREMENT IMPLEMENTATION AT A GLOBAL SHIPPING COMPANY

Summary

With a procurement system that was over 20 years old and based on legacy processes, the shipping company was finding it did not meet their growing needs and was proving expensive to maintain. In addition, as other companies in the group moved off the system, they were also expected to pick up an ever-increasing share of the costs. After a comprehensive selection, they decided to award the contract for a new bespoke system to their existing technical and safety ERP provider. The supplier hadn't met all of their content and delivery requirements. Consequently, both parties had committed to a continuous improvement approach requiring fairly significant product enhancement and required experienced project skills to manage the end-to-end implementation of the new ERP platform.

Organisation Background

Facilitating the global transport of oil and gas to meet the world's energy needs, the company is a leading player in the product tanker industry. Operating one of the largest fleets of vessels, it employs approximately 3,000 employees worldwide. Global leaders in the commercial and technical vessel management, the company is committed to providing its customers and partners with safe, efficient and flexible services that benefit their businesses.

Business Challenge and Opportunity

The system was based on a challenging virtual platform that was under-resourced and incapable of running the new ERP software efficiently. Historically each of the vessels took individual responsibility for the supply of all of its material requirements, however this resulted in an excess of redundant stock or shortages of appropriate stock. Our client needed a proper procurement system that would enable a better solution for tracking the necessary supplies as required.

Consequently, the ERP provider agreed to support the setup and configuration of new hardware purchased by the company and work together to introduce mobile technology so that the shore, vessel and warehouse could effectively connect and communicate in real time. This enabled the organisation to have complete visibility of the supply chain with financial and process controls to manage the actual cost of inventory and minimise or optimise purchases. In addition, the company would now have a one-stop digital platform that would enable complete integration between their procurement, external finance system; and the technical and safety modules - complete with mobile accessibility.

BPM-D Enablement

We were introduced to shape the implementation of our client's new system by effectively planning the company's requirements in the form of processes. Mapping out the process landscape for the end-to-end procurement environment, we established what the system requirements would be throughout. This making sure that the unique and differentiating requirements were well understood and then carried through into the system design. Our responsibility was to help manage our client's supplier, in terms of putting in place the system that was required. We established the necessary procedures including benchmark checks so that the system was delivered significantly more effectively.

Consequently, we created functional process models in a process repository team in accordance with their system requirements. This was done in consultation with the ERP provider to take into consideration any requirement gaps and individual product development needs.

We set up and maintained a robust governance structure that enabled us to deliver quick course correction as and when was needed. And once completed, we were able to prepare the final business case and manage the project finances for both the company and the ERP provider. Throughout this, we were able to leverage the assets created in the design phase in order to manage a planned process-led user acceptance and performance testing procedure.

As the project would involve considerable change for the end users, we developed and executed a successful change management plan through effective communication and training.

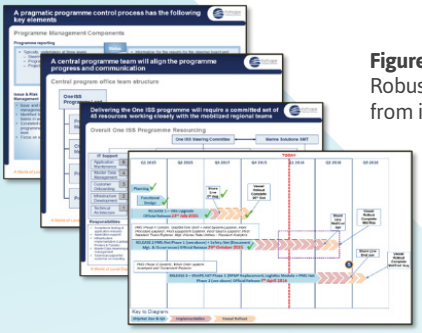

Figure 1:
Robust governance structure from initiation through to hypercare

Results

- Through the new collaboration environment, we were able to develop clearly defined requirements that could be successfully incorporated by the development, testing and training teams. Having significantly reduced the amount of time it took to develop the system, we ensured that it more effectively met our client's requirements, with a much greater buy-in by the end users.

- Our client was also able to benefit from our experienced skills in project, process and change management, in order to underpin their robust governance structure. Using process-driven assets including test scenarios and scripts, these were incorporated into performance and user testing.

- The first release was successfully delivered within budget, plus we also managed the migration of approximately 1200 in-flight orders through a procedure developed in robotic process automation (RPA).

- In addition, we were able to decommission our client's legacy system in three months which resulted in a healthy rebate.

- Overall, our client was able to benefit from a regenerated robust and scalable infrastructure that also delivered improved speed and resilience. Through the introduction of mobile technology on our client's vessels and in warehouses, we were successfully able to deliver effective inventory management; resulting in savings of over $0.5m per annum.

Figure 3: Procurement SME Training

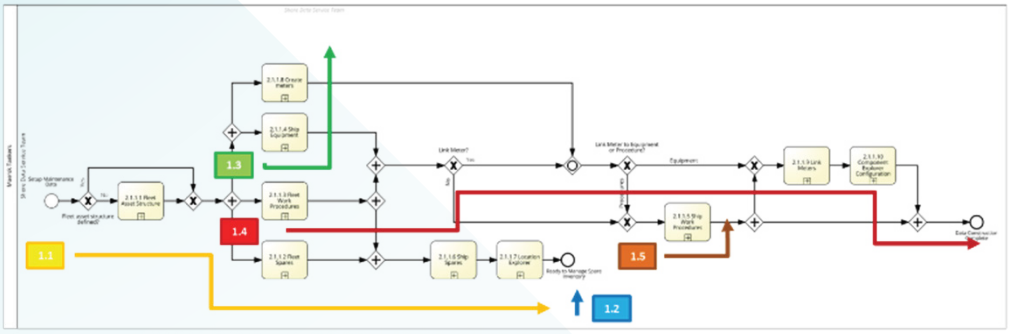

Figure 2:
Process Driven UAT Scenario