

# DELIVERING PROCUREMENT VALUE FOR A LEADING INDEPENDENT OIL REFINER

## EXECUTIVE SUMMARY

At this client, there was no centralized procurement or standardized procurement processes across multiple facilities. The value proposition of procurement was not established, visibility into spend was limited, supplier selection and management were decentralized, transaction processing was inefficient, and there was no strategy or vision for the procurement department.

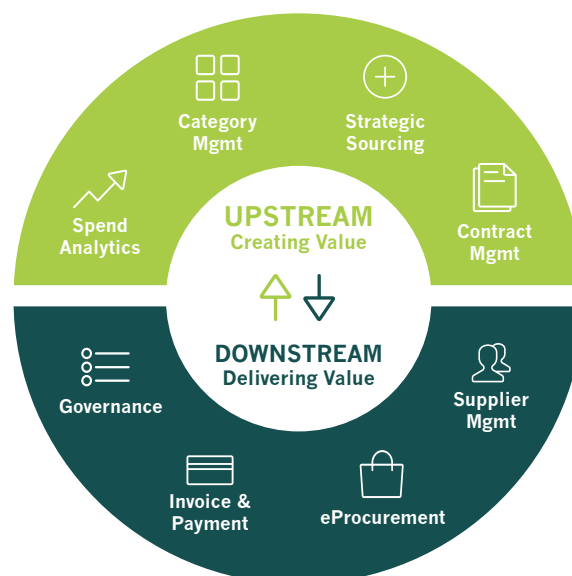
## KEY OUTCOMES INCLUDED:

- A source-to-pay assessment identified gaps in the people, process, and technology required to enable best in class procurement. The business plan output driven by the assessment was utilized to gain senior management support and budget approval to transform procurement.
- Selected and implemented source-to-pay systems creating one integrated environment and developed management tools to track and measure performance.
- Built customized, standard processes, tools, and playbooks and to improve and enable category management, strategic sourcing, and supplier management across all locations.
- Established a new centralized procurement structure and trained resources on processes and technology to enable a holistic and integrated source-to-pay environment.

“Nitor Partners became a trusted partner enabling us to develop a transformation roadmap and execute to realize our procurement goals. They evolved our source-to-pay processes, implemented enabling technology, developed our skills and helped us generate savings across all our subsidiaries.”

*Leading Oil & Gas Refining Company*

## Delivering Value Across the Source-to-Pay Lifecycle



## CHALLENGES

The current state procurement landscape had many issues at the time of engagement:

- Decentralized structure and lack of skills driving a tactical/reactive procurement environment.
- An “order-taker” Purchasing Department mentality versus a holistic procurement process.
- Lack of master vendor and spend data across the company causing low visibility.
- Limited cross-company leveraging of category spend and supplier relationships - very site centric.
- Lack of procurement processes and tools to enable strategic decision-making.
- Significant issues, gaps and duplication in technology that support procurement.
- Manually intensive environment causing significant waste and lost opportunity

## HOW NITOR’S SERVICES HELPED

Through our assessment and partnership, we enabled the client to significantly develop the procurement environment:

- Building processes and implementing technologies to enable spend analysis, category management, strategic sourcing, contracting, supplier management, eProcurement and Invoice/Payment.
- Developing a segmented approach to managing strategic/critical categories and suppliers.
- Streamlining the contracting process and increasing automation for development, review, authoring and approval.

- Enabling a holistic and integrated source-to-pay environment across the organization.
- Developing a supplier management process to manage performance and risk of key suppliers.
- Establishing a procurement scorecard to track and report on key ROI metrics.
- Delivering savings through strategic sourcing projects, cash management improvements, transactional efficiencies and contract compliance.

## SUMMARY OF RESULTS

The key outcomes of our partnership with the client include:

- **Exceeded goal of \$30MM** in 2-year savings.
- Ensured the cost of **transforming the Source-to-Pay environment remained under budget.**
- Transformed the Purchasing function into a **strategic and proactive procurement** operation.
- **Implemented source-to-pay technology** creating an integrated foundation across the company.
- Developed **centralized and improved visibility to spend** enabling insight for strategic sourcing.
- **Improved the contracting process** to capture business requirements, KPIs and manage risk.
- **Enhanced the skills of the procurement group** to enable sustainable development.

**Contact Nitor today for your roadmap to Procurement excellence.**

## CONTACT

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