Regenius
Design-to-Cost & Purchasing Optimization

CLIENT: INTEGRATED EUROPEAN PETROLEUM COMPANY

PROJECT OVERVIEW

CHALLENGES:

- Client's business encompassed E&P, R&M, Petrochemical and Retail, with a regional presence in various countries
- Client was undergoing a major purchasing exercise after successful integration of separate national oil companies
- Different ERP systems in each of the 8 major companies involved in the project
- Bureaucratic purchasing process and low-skill purchasing staff
- Poor relationships between Purchasing and Business Units

OBJECTIVES:

- Realize minimum 10% savings on indirects (temp labor, IT, vehicle fleet, transportation, travel, etc.)
- Create process & methodology to ensure periodic capture of 3-5% cost reduction on an ongoing basis
- Create tracking methodology that ensures long-term follow up of results

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Regenius implemented our solution in 4 waves over 2 years

APPROACH / TOOLS

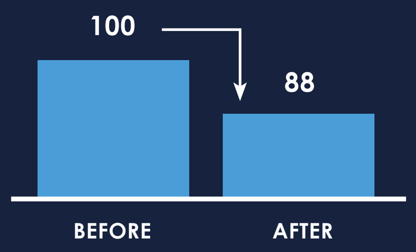
- Regenius Purchasing Project framework

KEY SUCCESS FACTORS:

- TCO approach introduced early on
- Dedicated project team to lead initiative
- Cross-functional teams
- Quick and thorough data analysis and database build
- On-going Regenius support, with full support in pilot phase
- Weekly program team meeting including key project sponsor
- Regenius managed the "Program Team" and supported individual "category teams"

RESULTS

REDUCED PURCHASING SPEND ON CURRENT PRODUCT BY 12%



ADDITIONAL BENEFITS:

- Created cost transparency
- Standardization of purchasing processes and purchased goods
- Good case for organization change in procurement
- System developed for tracking and measuring savings
- Introduced Total Cost of Ownership concept in all decision making
- Improved relationship between purchasing and business units