



Petrofac 

Reducing Complexity within Supply Chain

Derek Bain
Procurement Specialist

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Introduction

- Petrofac
 - who is Petrofac
 - what do Petrofac do
 - what do I do in Petrofac
- reducing complexity within supply chain
 - what is complexity
 - how to reduce complexity
 - where to look
 - what to do
 - benefits

Petrofac

- Our six values
 - Safe
 - Ethical
 - Innovative
 - Responsive
 - Quality and cost conscious
 - Driven to deliver

Complexity

- complexity
 - what is the definition of complexity?
 - “complexity cannot be strictly defined, only situated in between order and disorder or between understanding and miss understanding”
 - complexity within supply chain
 - complexity within supply chain is situated within the gap between client requirement and supplier fulfilment
 - reducing complexity
 - understanding
 - contract structure & management
 - communication
 - vendors
 - systems implementation & management
 - benefits

Reducing Complexity - Understanding

- what are your clients requirements
 - what do they need you to do
 - where and when do they need it
 - how do they want it delivered
- what are your capabilities
 - what can you do
 - where can you deliver it
- what are your supplier capabilities
 - product and service range
 - where can your supplier supply
- where are the gaps
 - what can't you do
 - what can't your supply chain do
 - where can they not do it

Reducing Complexity - Contracts

- contract development
 - clearly defined scope
 - remuneration aligned to scope
 - service level and key performance aligned with both scope and remuneration
 - define responsibilities
 - federalise (master agreements)
- how does this contract work within your procurement system
 - system requirements
 - limitations
 - contract management
- contract user guide
 - good communication
- continuous improvement
 - review
 - improve
 - train
 - communicate

Reducing Complexity - Systems

- ERP
 - enterprise resource planning
 - Sap, Oracle, Ariba, Dynamics, etc
 - expensive and regret purchasing
 - know what happens when it happens
 - why, who purchased, what, from whom, when, delivered by, to where, received, invoiced, paid, recharged, closed
 - contract management
 - category management
 - cataloguing
 - own system
 - punchout
- relationship management tools
- Sharepoint and other tools available
- review, improve, train, communicate

Reducing Complexity - Good Communication

“You don’t know what they don’t know”

- contract users guide
 - the benefits of using this contract
 - how to transition onto the contract
 - example of competitive engagement process
 - roles and responsibilities
 - what you can buy off this contract
 - how you can buy off this contract
 - vendors role
 - contract summary
 - key contract terms and conditions
 - supplier contact details
 - review and development
 - process
 - timescales
 - further information
 - frequently asked questions
 - related publications, documents & links

Reducing Complexity - Vendors

- collaborative approach
 - vendor buy in to the big picture
 - share information and priorities
 - allow key vendors to help strategise
 - build long term relationships
 - understand your vendors business and growth strategies
 - negotiate on best value
 - good vendor management
 - reduces cost
 - increases quality
 - increases service
 - increases scope
 - customer satisfaction

Reducing Complexity - Benefits

- what are the benefits of reducing complexity
 - increased communication
 - better trained staff
 - functional and controlled contracts
 - continuously developing procurement system and processes
 - reduced costs and increased value
 - proactive vendors
 - supply chain compliance
 - fosters closer relationships
 - interdependent process
 - improved service to your customer