

Energy Supply Chain Planning Design and Implementation

▶ CASE STUDY



HIGHLIGHTS

- **Developed a business case for the redesign of global supply chain planning processes and technology**
- **Led a three-week design workshop with over 30 supply chain leaders from five global regions**
- **Resulted in a one-time \$30 million savings and annual savings of \$24 million**

CHALLENGE

The 20+ manufacturing locations and 40+ distribution locations of a leading energy company's \$16 billion Lubricants division were managing production, inventory, and distribution decisions individually with little or no coordination across the supply chain. Faced with increasing profit margin pressure in the commodity-like business, the client wanted to evaluate whether implementing a system to globally manage the supply chain could reduce costs and increase service levels in their supply chain.

APPROACH

Spinnaker resources were initially engaged by the client to help develop a definitive business case for a redesign of global supply chain planning processes and technology. To facilitate this process, a comprehensive review of operations across the supply chain and the value proposition for implementing an advanced supply chain planning solution was developed. Senior management accepted the business case and funding was internally secured to implement a Supply Chain Planning system and process redesign.

RECOMMENDATIONS

The Spinnaker team members led a three-week design workshop with over 30 of the client's supply chain leaders from five global regions. Spinnaker resources then led the design of both the functional and technical design of the new solution and managed the global rollout of demand planning, supply planning, and collaboration software over a two-year period. The planning processes and organization went through a complete transformation that resulted in a streamlined and efficient process.

Spinnaker is a global leader in supply chain consulting and execution services. We deliver supply chain excellence with world-class people, processes, technology and operational know-how.

Founded in 2002, Spinnaker operates on two guiding principles – measure our success by our client's accomplishments and treat every situation with honesty and integrity. It's from these guiding principles that Spinnaker has been able to achieve tremendous growth.

Spinnaker has worked with entrepreneurial start-ups to Fortune 100 enterprises in industries such as High Tech, Manufacturing, Retail, Energy/Oil & Gas, Communications, Pharmaceutical/ BioTech and Alternative Energy. We combine our vast supply chain and business process knowledge with industry best practices to deliver solutions that drive tangible results for our clients.

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RESULTS

The project resulted in a one-time \$30 million savings and recurring savings estimated at \$24 million per year due to decreased inventory positions and increased customer service levels.

