



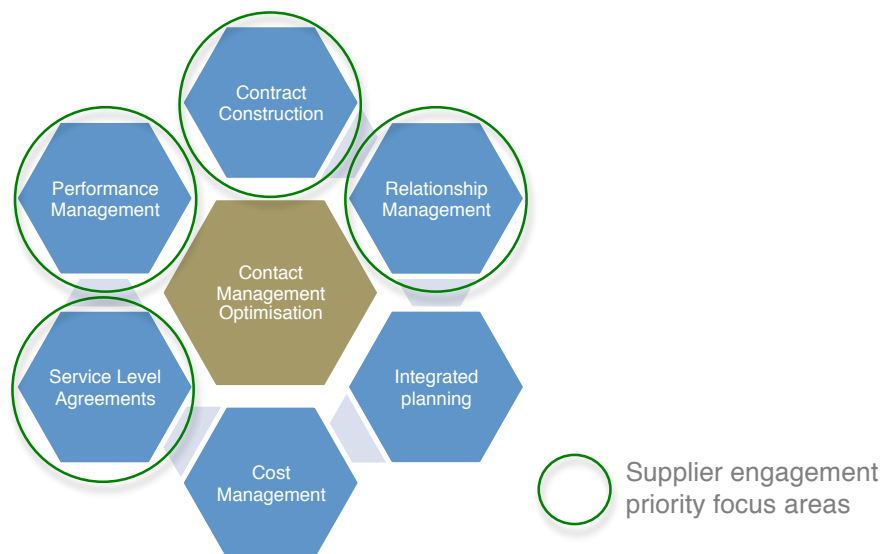
Improving Supplier Reliability for high volume Operations & Maintenance material providers with a North Sea Oil & Gas Operator

The Challenge

An analysis of the Supply Chain department revealed an improvement opportunity for the delivery of material requirements in line with the asset development plans. The Operations & Maintenance division of the business was tracking at 62.9% On-Time and In-Full (OTIF) materials delivery – representing a failure to deliver 7,420 material lines annually as planned. This created flux in the asset planning process and in turn had a negative impact on Work Execution offshore.

The Approach

Dedicated Workstreams were established within the Procurement department to focus on Supplier Performance Management for the top 20 volume-based suppliers and a new priority based all-encompassing Expediting process. Workshop events took place with multi-disciplined teams and a future state integrated process was devised. In addition the Workstream team made clear the work responsibilities for the various roles and developed key measures of success.



The Actions

Following agreement to the process design training sessions were executed for Buyers and Expeditors so that they were competent with the new process. During kick off meetings with these suppliers 'Contract Operation Plans' were created, detailing Service Level Agreements, the operational improvement activities, any relationship gaps and weekly Expediting reporting requirements for both parties (the priority themes are illustrated in the above model). Line management support was made available for coaching in new interventions and a Management System was embedded making use of the measures of success for a continuous improvement of benefits.

The Results

OTIF delivery performance for Operations & Maintenance improved from the baseline to 86.6% in a 9-month period. The efforts have also help grow the Supply Chain department's capabilities by giving them the confidence to use information to drive the 'right' conversations. Ultimately, this has enabled more work execution on the offshore assets as planned.