



Case Study

Industry: Petroleum Retail

OIG Clear Path Commerce:

E-Procurement, Supplier Automation & Cost Savings Initiative

Focus:

Indirect Materials / Operational Expenses

Result Highlights:

- The clients' Buyers are 98% compliant.
- The Supplier community is 100% compliant and everything we need is conveniently available in our Virtual Warehouse.
- The Supply Chain/Purchasing group only allows items to show up and be purchased that are approved by our management team.
- The client can immediately measure the speed of fulfillment based upon the electronic ship notice generated by the supplier within OIG Fulfill. The end result is measurable delivery metrics specific to supplier performance.
- The client has realized savings in excess of 12% since launching the solutions provided by OIG. That's above industry averages.

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EXECUTIVE OVERVIEW

In September 2007, OIG (Osiris Innovations Group) launched its e-procurement platform within 90 days of contract-signing for a major petroleum retail customer. In addition to successfully addressing all documented business challenges it was imperative that OIG migrate this major petroleum-industry retailer from a defunct e-procurement platform by a pre-determined date with no impact on the daily operations of its busy gas and food emporiums in order to avoid a complete supply chain disconnect.

To meet the client and industry specific requirements, OIG mapped, coded and implemented more than 50 product enhancements in the span of less than three months. In addition to supporting the client's unique business practices OIG managed the concurrent launch of "supplier direct connect", OIG's proven approach for on-boarding and automating their supply chain.

PROJECT SCOPE:

- Hundreds of locations
- 1000+ users
- 120+ approvers
- 10+ approval configurations (approval by \$, supplier, capital items) – Multiple variations
- 600+ Cost Centers
- 20+ Account Codes
- 70 suppliers
- 8000 items in catalogs, with 10 punch-out suppliers
- >90 days to Go-Live

Their requirements were stringent. In order to properly support its network of travel centers, spread throughout the Eastern United States and north into Canada, they were seeking to make a seamless transition to a platform that closely mimicked its current service provider.

KEY BUSINESS CHALLENGES:

As we began to architect the project scope and detailed implementation plan OIG documented requirements mandating application modifications. Their current platform had been in use for more than two years. During this span of time, they had customized the platform to meet its growing needs. Now, in order to maintain all its business practices they needed a replacement that was custom-configured in exactly the same manner. This meant that OIG needed to map, code and implement dozens of enhancements within the implementation timeframe. The previous system was custom built over the course of more than two years.

In all, 56 system enhancements were identified that needed to be in place prior to Go-Live. These enhancements spanned almost every area of system functionality

- Approval Processes
- Budgetary Controls
- Payment Types (specific to supplier)
- GUI upgrades
- Catalog Content Views (specific to location)
- Catalog Search Result Refinement

OIG Procure, the OIG e-procurement engine, along with OS Catalog, a robust catalog module, provided the optimum solution. Designed with complete scalability for any size organization, and flexibility to meet any customer's e-procurement needs OIG Procure configured to support all pre-existing business processes relative to the P-F-I-P-R process (Procure, Fulfill, Invoice, Pay and Reconcile).

As critical as these business requirements were, there was one more crucial pain point: **supply chain interruption was unacceptable**. Purchase Orders needed to continue to flow to the existing supply chain with no interruption of delivery of goods. OIG's delivery model provides each client with a team of professionals who are trained and qualified in the areas of procurement and supply chain management that call every supplier organization on the list.

OIG Fulfill provided each supplier with a fully automated system to capture and process purchase orders, ship notices and invoices electronically, including complete integration into existing POS systems.



For Procurement Professionals

OIG Payment provided each supplier with a PCI Compliant and CISP Certified platform for payment processing. To further support the Petroleum Retail client, payment data transfers seamlessly from OIG Procure into Customer accounting systems, bringing the benefit of automatic p-card statement reconciliation to their business processes.

OIG Catalog & Catalog Manager provided both the Petroleum Retail client and its' respective supplier community with a proven content management system complete with shopping cart functionality equal to reputable online shopping applications. To further support a reduction in maverick spend and contract compliance OIG Catalog Manager is structured with "checks and balances" providing complete visibility to all catalog update activity.

KEY BUSINESS PROCESS REQUIREMENTS

1. Security constraints of a corporate intranet

- Single-sign-on access to the e-procurement engine from within the Company's intranet.

2. Complex approval hierarchies based on location, purchase type, user access level

- Approval structures to support a wide-variety of financial constraints, including automatic identification of items needing capital expenditure approval.

3. Highly transient user population due to nature of the retail business

- Robust catalog features that allowed users to visually identify product, and ease of use for rapid adoption by new users.

4. Data exchange needed between other business applications

- Interface into the existing accounting and human resource software.

LAUNCH SUMMARY

Coding and testing became almost round-the-clock exercises. Implementation teams focused on system configurations from two angles: Buyer and Supplier. On the Buyer side, usable data files from the existing e-procurement platform were imported, providing critical user and location information. Defining and configuring their stringent approval structure to support its myriad of account codes, cost centers and purchasing locations took time to map, confirm, approve, and test. Catalog upload files were imported and structured to take advantage of OIG Catalog's extensive features. Not only does OIG Catalog provide a best of breed shopping experience with images and sophisticated search capabilities, it also provided the Buying Organization with the capability to customize catalog content views for specific buyer groups. OIG Catalog is configurable so that users have access to only certain products or certain suppliers based upon location.

The most exciting aspect of this launch was the introduction of OIG Fulfill to a supply base that had never before been fully automated with its customer. We worked together to present the features and benefits of this fully electronic "catcher's mitt" to their Suppliers. From a corporate standpoint, the use of OIG Fulfill by its supply base provided for the first time an electronic three-way match of PO, ship notice, and invoice.

From the supplier's perspective, OIG Fulfill allowed faster and simpler access to incoming purchase orders, faster and simpler submission of invoices and faster processing of payment through the use of p-cards. Prior to OIG Fulfill, suppliers received POs via email and had to log-in to a hub-like environment to issue invoices. OIG Fulfill automates these two key processes. Some of the suppliers were already equipped to process credit card information – they benefitted from improved merchant account rates by utilizing OIG's credit card processing partners. Most suppliers, though, were unfamiliar with the establishment of business processes related to credit card payments. OIG walked these suppliers through the steps toward payment automation.

BUSINESS UNINTERRUPTED

Within the designated timeframe of less than 90 days, the client was fully configured and ready to launch its new e-procurement platform, seamlessly, to all users, all suppliers and all locations.

- ✓ Maintain security through the use of a single sign-on from within the Company's intranet.
- ✓ Support a complex approval structure to meet a wide-variety of financial constraints.
- ✓ Enable a user audience with high turn-over rates to quickly and easily adopt the platform.
- ✓ Share data with existing applications to support business needs.
- ✓ Supply chain intact.

Through the enhancements developed and launched during the implementation phase, they were able to continue business, uninterrupted.

CONTINUED BENEFITS

OIG has continued to provide substantial benefit to both the client and its supply base for over 3 years. As they add new suppliers to its highly efficient and competitive supply chain, they are able to engage and participate in this fully automated environment in as few as 3 business days. They now maintain complete, real time visibility across all of their spend and can rapidly react or adjust as needed in changing business conditions. Key benefits realized by the client include:

- The Buyers are 98% compliant.
- The Supplier community is 100% compliant and everything we need is conveniently available in the Virtual Warehouse.
- The Supply Chain/Purchasing group only allows items to show up and be purchased that are approved by our management team.
- The client can immediately measure the speed of fulfillment based upon the electronic ship notice generated by the supplier within OIG Fulfill. The end result is measurable delivery metrics specific to supplier performance.
- The client has realized savings in excess of 12% since launching the solutions provided by OIG. That's above industry averages.

The suppliers continue to enjoy the benefits of seamless, real-time management of incoming orders, ship notices, invoices, and payments. In the past year, millions of transactions have been completed through OS Interchange and have captured both substantial savings in piece price and process efficiencies. The suppliers have enjoyed increased business and a new level of automation to drive down their administrative costs. Clear Path Commerce is a win for everybody.

ABOUT OIG

Founded in 2004 OIG (Osiris Innovations Group LLC) is a leading provider of intelligent, robust, e-procurement Software-as-a-Service (SaaS) solutions. OIG has built a sterling reputation for delivering superior technology in its proprietary, first-to-market supply chain management software suite. OIG products quickly convert the product sourcing, procurement, fulfillment and payment process to a paperless workflow. Our SaaS based solutions are simple and powerful, providing distinct features that set it apart from anyone else in the Supply and Demand Chain Automation space.

OIG services a breadth of large buyer clientele across diverse verticals inclusive of Petroleum Retail Outlets, Convenience Stores, Quick Serve Restaurant (QSR), Universities, Healthcare Institutions and Tier 1 Automotive Suppliers. Working directly with OIG, the buyer client realizes an almost immediate return on investment through complete automation of their respective supplier community. Gaining clear visibility to operational supply spend both buyer and supplier strengthen their relationship and are able to identify lost opportunities equilaterally. In addition, extensive process related savings start with their first purchase order.

OIG MISSION STATEMENT

OIG empowers clients, employees and partners through the delivery of clear and actionable results. We do so via the practice of teamwork and an open air communications policy that both encourages and supports innovation, creativity and adaptability to change. Our core values of integrity and respect are applied to all whom we encounter and expressed in a manner which we would expect in return. Our daily charter is to continuously improve and increase both the value and reward for all OIG stakeholders.

More information available at www.Osirisig.com or call 888-445-0010