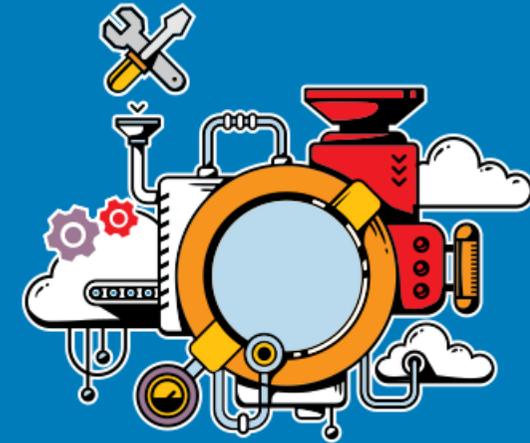


Oil and Gas

Focused delivery on **business operation improvements** through a trusted partnership with an oil and gas leader

In a partnership spanning more than a decade, BSG has assisted one of the top five global oil and gas organisations to execute on their southern Africa business strategy, by guiding them in adjusting the strategy to meet the specific and unique needs of this region, while assisting the client to adapt to significant events and flows in the business cycle.



Overview of the client's needs

- A better understanding of the business environment, strategy and customer needs in order to position the IT function to support the achievement of the business strategy
- Make informed business decisions based on facts and the correct information
- Cost management
- Control and compliance e.g. POPI Act, infrastructural compliance to avoid cyber-attacks and mitigating back-office control risks



Objectives of the engagement

- Define and develop an integrated IT strategy in support of business strategy execution
- Establish a target operating model (TOM) for an integrated business and IT capability
- Structure the IT strategy to detail the vision, mission and success criteria for the strategic focus areas
- Clarity as to how IT would engage with business
- Enable IT to adjust to meet changing business needs



Benefits of the change

- Empowered IT to meet the strategic demands of business and customer requirements
- Bridged the gap between IT and business
- Enabled the client to achieve strategic priorities
- Executed on critical projects
- Streamlined operations
- Adherence to compliance and control has assisted in preventing disasters, major fraud or containment loss
- Adherence to legislation, through a suitable legal framework

BSG assisted in enabling a client to execute on business strategy by **partnering with IT** to drive change and realise benefits.

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Engagement Overview

Since 2005, BSG has been trusted by the client to execute their local business strategy in their downstream value chain to align to global strategy, while tailoring aspects to the specific needs of the local market. The downstream business is the product and service-led arm of the organisation and comprises refineries, supply and storage, secondary logistics, sales and marketing and back office and customer support.

In order to execute on the business strategy, BSG has assisted the client to ensure that the IT strategy and operations are set up to enable business success. The work undertaken has encompassed both business and IT strategy, as BSG has assisted in executing business strategy by partnering with the client's information technology and systems (IT&S) capability to drive change and realise benefits. More recently, this has included establishing a target operating model (TOM) for an integrated business and IT capability.

Solution

Fluctuating oil prices, worrying economic conditions and decreasing profit margins have all impacted the oil and gas sector in the last few years. Set against this challenging environment, achieving strategic priorities and implementing critical projects for the client has become a key focus for BSG, with BSG staff located in the client's ecosystem.

Projects have included mitigating significant back-office control risks in a neighbouring African country, providing systematic controls and improving loading processes at client depots, enabling the analysis of IT&S costs, ensuring compliance to the POPI Act and infrastructural compliance to avoid cyber-attacks, the rollout of a document management system and implementation of a new maintenance system for the retail function.

The more recent TOM project has involved BSG developing a cross-section of the business and its IT function; focusing on the business strategies, goals, organisational structures, risks and key IT dependencies. BSG initially defined the 'as-is' and 'to-be' states of the IT TOM and the resulting communications and reporting approach in response to the business strategy and the IT strategy. Thereafter, BSG was further tasked with defining a performance reporting

framework and designing and implementing a customer-centric survey.

After defining the current business environment, the drivers and strategy and the as-is and to-be TOMs, BSG was able to design a response to business strategy for a defined IT strategy, supported by strategic plans and associated delivery roadmaps.

BSG making a difference

During the decade-long partnership BSG has consistently delivered high quality work, on time and underpinned by in-depth oil and gas sector and IT knowledge. A broad range of skills and research functionality has ensured BSG has been able to add value throughout the client partnership, enabling strategic solutions to drive business objectives. BSG believes in partnerships and through a collaborative effort with the client, has ensured a comprehensive delivery methodology.

Projects to showcase BSG's partnership

BSG's ten-year involvement with this multinational oil and gas client has driven the enablement of key operational projects, to ensure IT can strategically execute in the ever changing and challenging oil and gas sector.

Online ordering portal (offshore development)

Business problem: Placing product orders via telephone was to be discontinued due to inefficiency, and as such, the business required a re-engineered business model and processes for online ordering, including the implementation of an online ordering system.

BSG approach:

- Completion of a technology choice analysis
- Selection of a software development vendor (offshore)
- Leading a team of local and offshore resources to validate and detail the business requirements and document the functional specification
- Oversee the iterative development, testing and release of the application in order to successfully go-live

Business outcome:

Cost savings, efficiency gains and customer experience enhancement due to the enablement of online ordering.



Terminal automation system replacement

Business problem: The terminal automation systems supporting the gantry equipment at the client's fuel terminals had reached end-of-service life, and thus became very costly to maintain. Various initiatives to replace the systems and resolve the issue had been attempted, unsuccessfully, before BSG was engaged.

BSG approach:

- Understanding the pre-requisites and dependencies for success
- Defining an integrated plan to complete the foundational elements using a packaged solution (FuelFacs)
- Managing client teams and third party vendors to complete the foundational initiatives
- Eliciting and validating of business requirements, working with the FuelFacs vendor to configure and integrate the solution, testing, running mock implementations and ensuring successful go-lives at the various national fuel depots

Business outcome:

Mitigation of key operational risks and reliability improvements across all the depots.



Design of dealer recoveries process and bespoke solution development

Business problem: Due to an ineffective recoveries process and a failing dealer site municipal bill payment process, the client was experiencing delayed cash flow, incomplete recoveries and the shutdown of retail sites due to municipal bill non-payment.

BSG approach:

- Analysing of the Business problem, options analysis and a recommendation for a business process change and bespoke system development, leveraging a payment gateway partner to facilitate payments
- Completing the process design, business requirements definition and the functional requirements definition to enable the recommended solution
- Working with multiple software vendors to deliver the solution, using SCRUM methodology and a stringent testing approach

Business outcome:

Significantly improved recovery completeness, resulting in improved cash flow, and the complete mitigation of site shutdowns.

ERP enhancements specifications

Business problem: Due to the client's current set of bank reconciliation and cash management tools being based on outdated technology, the functionality was to be migrated to the ERP.

BSG approach:

- Completing the analysis to understand the functionality of the current tools and the steps in the current business processes
- Defining business requirements, banking integration requirements and supporting business processes to use as input to validate that the ERP would be able to meet the requirements

Business outcome:

The desired solution was validated, and the client was able to engage offshore software vendors with a full set of analysis outputs to deliver the ERP enhancement.

Process analysis and design

Business problem: The client's two primary value chains, Order-to-Cash (O2C) and Purchase-to-Pay, experienced a series of interruptions. This resulted in a failure by O2C to direct debit customers and the delayed orders led to disgruntled dealers, decreased cash flow and lost revenue (>\$19m).

BSG approach:

- Facilitating the documentation of the end-to-end processes
- Conducting a root-cause analysis of the issues and any risks and vulnerabilities which could result in future disruption
- Real data was used to simulate scenarios which could result in process failure
- Proactive monitoring functionality was designed and specified to enable the early detection of possible process disruptions

Business outcome:

- A reduction from 40 process and system disruptions to just one (year-on-year)
- A 50% reduction in the amount of time spent on issues and potential issues, as they were proactively resolved once discovered

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