

# CASE STUDY



Supply Chain Management gains insight on supplier pricing with Microsoft BI

**altius**<sup>®</sup>

# CASE STUDY

## Supply Chain Management gains insight on supplier pricing with Microsoft BI

Our client, one of the world's largest oil and gas businesses, needed to provide its procurement analysts in Exploration and Production (E&P) with a more effective vendor and bid-management process. The Procurement & Supply Chain Management (PSCM) process is a fundamentally dynamic and evolving process within the company, enabling the business to anticipate and manage bids for a wide variety of projects, from major projects to on-going operational maintenance.

Its existing Vendor Pricing & Bid Management process was very spreadsheet-dependent and labor-intensive to prepare, distribute, collect, validate and consolidate spreadsheets for each individual bid. With the need to turn information around in hours rather than days and to provide better control, governance and transparency, the PSCM group decided to invest in a Microsoft® Business Intelligence technology based solution. Altius Consulting, a Microsoft Gold Certified Partner firm, worked closely with senior procurement analysts to replace the existing 'Spreadsheet Hell' process with a Microsoft SQL Server™ 2005 based Altius Planning Solution (APS) solution.

APS, with Microsoft SQL Server™, provides the necessary relational and On-line Analytical Processing (OLAP) components for a fully-integrated Business Intelligence (BI) solution accessible by PSCM analysts located around the world.

### Client Profile

**Country:** United States / Global Team  
**Industry:** Mineral Extraction

**Overview:** The Exploration and Production (E&P) segment of one of the world's largest petroleum and petrochemicals companies, which has offices in 26 countries.

**Business Situation:** The client's E&P Procurement & Supply Chain Management (PSCM) team needed to enhance its vendor pricing and bid analysis system to give its procurement analysts more timely access to information through the corporate intranet.

**Solution:** Altius—E&P's consulting partner for this important project—recommended the Microsoft® SQL Server™ 2005 Business Intelligence platform along with their Altius Planning Solution (APS) toolkit.

#### Benefits :

- Automated many processes saving countless valuable person-hours per bid.
- Enables faster, more flexible vendor price book management, intelligent bid- planning and analysis via the corporate intranet and Microsoft Office Excel.
- Improves controls and audit trails.
- Ease of integration with back-office applications.

# CASE STUDY

## What we say

“Microsoft has changed the game for integrated Business Intelligence, enabling solutions at departmental and operational level as well as the more traditional Enterprise-wide solutions.

Companies can now gain access to powerful information from their data assets for a fraction of the cost faced just a couple of years ago.”

Director of New Business, Altius

## Situation

Collecting accurate and timely information on bids provided by suppliers is essential to the efficient operation of our client's Exploration and Production (E&P) segment. From major projects to routine maintenance, all require detailed analysis of the suppliers offering services, their ever-changing product and service catalogs and associated pricing.

The procurement analysts need to have access to information across a wide range of supplier metrics including service availability, regional operations, past-performance, compliance, resources, and pricing. Information is updated regularly and quickly.

Our client became acutely aware of the need to find a solution to replace its labor-intensive, spreadsheet-based bid assessment process, which was not as flexible and scalable as it needed to be. They turned to Altius, a Microsoft Gold Certified Partner, for advice as to what solution they recommended given their need for rapid information turnaround and low cost of implementation and maintenance.

The client's spreadsheet process had a number of productivity drawbacks, resulting in large amounts of custom development for each and every bid. They wanted a tool to easily provide up-to-date information on vendors, bids and pricing to procurement professionals across the globe. It was essential to ensure that the analysts could quickly collate, analyze and compare bids from multiple vendors.

The ability to scenario-play and compare like-for-like bids when suppliers each had their own way of 'packaging' products and services was a key challenge.

## Solution

Altius recommended the new solution be based on the Management Intelligence Database with Analysis Services (APS) solution that was developed to solve spreadsheet hell challenges within the Planning & Performance Management function of E&P. APS is based upon the Microsoft Business Intelligence platform using Microsoft SQL Server™ 2005 and Microsoft Analysis Services as the data storage and analysis engines.

The APS toolkit enables Altius to work closely with the customer, addressing the core business issues rather than focusing on technology. APS provides an accelerated way to deliver solutions to common spreadsheet-related challenges that require spreadsheet familiarity and rapid results, but with the benefits of centralized storage, SOx compatible workflow, governance and instant analytical capability.

For ad hoc reporting and analysis, Altius trained users to take advantage of Microsoft Office Excel's Business Intelligence features, enabling users to create reports and gain analytical analysis 'on the fly' with the power and functionality of Excel and Analysis Services.

Microsoft Analysis Services is totally integrated with Microsoft SQL Server. Together these products have provided E&P with the necessary components for a fully integrated BI solution.

# CASE STUDY

## What they say

“To us, the Microsoft Business Intelligence platform provides an excellent Business Intelligence and Performance Management toolkit.

Our initial finance-focused applications have been extended in use throughout the Exploration and Production segment (and beyond).

We designed our implementation for it to be portable and to suit other business units within the enterprise and that reusability is delivering real value.”

Senior Financial Analyst

## Benefits

### Improved Bid Comparison

Procurement analysts in the Exploration and Production segment now have the ability to create an online ‘job model’ and compare the relative merit across multiple suppliers based upon the products and services required for that job. Reports are produced in minutes and are ready to share instantly via SharePoint, drastically streamlining a process which previously took days to prepare and multiple e-mails to distribute.

Whereas previously the client would have to collate information from dozens of spreadsheets, the database now does this for them, enabling alterations to the job model to be instantly reflected in the analysis and reports. A key benefit is the suitability of the product for an enterprise of the client’s size. It is a secure tool that is easy to control.

### Lower Total Cost of Ownership

Ease of development and compressed timescales are two key strengths of the Microsoft Business Intelligence platform. What would take six elapsed months with older generation BI technologies took less than three elapsed months to deliver. Enhanced integration with Microsoft Office enables users to develop their own reports without the need for programming skills.

The cost per bid is now significantly lower for our client than their previous processes. Implementing this solution has also saved a great deal in contract labor spreadsheet maintenance costs.

Cost reduction wasn’t the only consideration but it was a ‘nice to have’ along with all the other efficiency and timeline reduction gains.

### Ease of Integration

By standardizing on SQL Server and Analysis Services, E&P now finds it much easier to choose from a range of compatible third-party tools, because of the ease of integration with Microsoft technology. Altius expects a number of solution-specific applications to be developed using the Microsoft .NET Framework. The .NET Framework is an integral component of Microsoft Windows® operating system that provides a programming model and runtime for Web services, Web applications, and smart client applications. Our client is now in a position to take advantage of these leading technology developments going forward.

The use of SQL Server and Analysis Services has enabled them to build a system which is much less vulnerable to hardware failure. While they had a form of disaster recovery before, the Microsoft solution allows the client to use database mirroring between sites to keep a live back-up of the server and provide a more robust disaster recovery system.

# CASE STUDY

## Technology

### Software and Services

Products:

Microsoft SQL Server

Microsoft Analysis Services

Microsoft Office SharePoint

Server

### Partners and Partner Products

Altius Consulting

Management Intelligence

Database with Analysis Services

(APS)

## Improved Controls and Audit Trail

By choosing SQL Server as its relational database engine, E&P has improved the control and ease of auditing its data. The combination of SQL Server 2005 and Analysis Services through the APS toolkit has enabled them to do things with their business processes that they couldn't do before; 90 per cent of the data captured is presented in Excel workbooks -- using automated load routines they are able to track the source of the data, who loaded it, and when. The ability to create a comprehensive audit trail provides additional transparency and security around their critical procurement processes.

## A Toolkit of Choice Throughout the Company

The client has introduced APS-based solutions to organization units across the globe to solve a multitude of process and information management challenges.

*"To us, the Microsoft Business Intelligence platform provides an excellent Business Intelligence and Performance Management toolkit. Our initial finance-focused applications have been extended in use throughout the Exploration and Production segment [and beyond]. We designed our implementation for it to be portable and to suit other business units within the enterprise and that reusability is delivering real value."*

-Client's Senior Financial Analyst

# CASE STUDY

## For further information

For more information about Altius services and products, contact your local office:

### Corporate Headquarters

2245 Texas Drive  
Suite 150  
Sugar Land, TX 77479

### Alaska Office

3300 C Street  
Suite 102  
Anchorage, AK 99503

+1 800 816 4850  
[info@altius-usa.com](mailto:info@altius-usa.com)  
[www.altius-usa.com](http://www.altius-usa.com)

If understanding your business better is a high priority, or you would just like to discuss what Business Intelligence and Performance Management options may work for your business, please contact us today.

## About Altius

Altius helps companies better understand the data that drives their organizations. We are practitioners who have personally managed successful Business Intelligence initiatives. From this, we have developed a suite of products that helps you save time, reduce errors and quickly execute projects. At the end of the day, we help you make intelligent business decisions from your data.

Altius has the experience of over 500 project implementations, spanning companies in oil, gas, energy and utilities. Altius is head-quartered in Houston, Texas with a second office location in Anchorage, Alaska.

