



# Transforming the Order-to-Cash Process

## THE CLIENT

The client is an industry leader in the development and commercialization of drilling technology with more than 2,000 employees in 23 different countries around the world. As a global leader in the design and manufacturing of oil and gas equipment, the client engages in the energy industry by providing technology-based solutions.

## BUSINESS CHALLENGE

The client's order-to-cash (O2C) process for their supply chain of spare parts was posing challenges due to their decentralized business units, global reach, cash flow challenges, and inconsistent O2C processes.

In addition, they were experiencing high levels of customer dissatisfaction due to non-availability of critical spare parts and largely due to the long lead time to acquire the parts. Supply chain costs were also increasing due to duplication of effort by various teams, frequent delays in supplying spare parts, higher logistic charges and expediting fees. In addition to their own internal issues, more than 20 other drilling companies they supported were impacted.

## THE RESULTS



Increased productivity by 35%



Reduced the global spare parts inventory by over 20%



Identified and disposed of 1M worth of non-moving inventory



Decreased down time of leased drilling equipment by 6%

## HOW CORBUS HELPED

- » **Instituted** processes to better manage cash flow and reduce equipment downtime
- » **Increased** the level of productivity by implementing an on-site-off-shore outsourcing model
- » **Leveraged** sourcing power to consolidate the demand of spare parts
- » **Collected** and analyzed historical data, monitored spares inventory, analyzed manufacturing and procurement lead times to gain a deeper understanding of the usage pattern and the proper classification of the spares inventory
- » **Reviewed** O2C process steps in order to effectively map the current processes being followed
- » **Recommended** a forecasting tool to assist the organization in building a demand model for the spare parts inventory. Based on historical usage and lead time of the part, this tool was to be integrated into the client's ERP system
- » **Centralized** the global distribution center to effectively procure and distribute spare parts required by various business units and third party customers. This centralization increased the purchasing power of the client's organization
- » **Integrated** the inventory management systems of various business units to provide visibility regarding the availability of spare parts at all locations
- » **Identified** the most frequently used parts in service/maintenance activities, and finalized the bill of materials (BoM) so that the Global Distribution Center could build service kits by supplying relevant parts to the client's diverse business units. Ultimately, this eliminated delays due to non-availability of spare parts
- » **Developed** an implementation plan
- » **Supported** the client in implementing the new process model and the change management plan with internal and external stakeholders
- » **Completed** implementation within eight months of the start of the consultancy engagement

