

What if you could...

...decrease costs dramatically through improved 'outside the fence' operational decision making in one of North America's largest refiners?

With Proudfoot, you can.

The SVP of Supply in a major independent North American refiner identified an opportunity to improve downstream profitability 'outside the fence' of the company's refineries. To unleash this potential he needed to enhance the decision-making capability of his Product Supply, Trading and Wholesaling teams. These teams needed better information, enhanced decision rules and a more profit-focused culture.

The SVP partnered with Proudfoot to create and implement a roadmap to a new integrated decision-making framework.

This framework positioned his teams to maximize product value balancing, changes in market conditions, transportation and logistics constraints, and product inventories. The framework streamlined internal processes improving his company's responsiveness.

"Over the last six months we have worked to restructure the organization and identify both cost reduction opportunities (supply chain) and revenue upside opportunities (trading and distribution) to positively impact the organization's profitability and customer service levels."

- SVP Supply, North American Refiner



Proudfoot PROOF POINTS

Oil and Gas /
Downstream Operations

A TRANSFORMATIONAL APPROACH

Implemented an integrated decision-making framework for 'outside the fence' (OTF) operational decisions including metrics, decision-rules, behaviors and cross-group coordination.

- 1 Developed OTF Decision-Making Framework** that detailed linkages and interdependencies across organizational teams, and highlighted key drivers of profitability.
- 2 Designed an Integrated Road Map** to organize and bring together the information and people needed for operational decision making.
- 3 Focused on People During Implementation** by working closely with Product Supply, Trading, Wholesaling and leadership to commit to decision-making models that capitalized on the best skills and perspective of each group.
- 4 Built Behaviors to Support Operational Excellence** by translating the decision-making model into specific critical behaviors, then coaching and training individuals in those new behaviors.

REMARKABLE RESULTS

Increased downstream profitability through improved decision making capability supported by accurate, timely metrics and management dashboards.

5-10% Reduction transportation rebills

19% Reduction secondary costs

6% Wholesale lift improvement from under 85% to at least 90%

\$22.8M Annualized benefits

\$3.0M Transformation investment

Visible, timely and standardized performance metrics for trading, scheduling, and wholesale groups enabled optimized responses to market changes and improved downstream profitability.

Proudfoot