

CASE STUDY

How Procol Helped An Oil and Gas Industry Leader Optimize Procurement Functions

Company Background



Incorporated in 2005, the company is one of India's leading infrastructure project and equipment financing companies. As a progressive and leading asset and service provider with a global presence, the company provides onshore contract drilling services that utilize a fleet of state-of-the-art land rigs and offer other value-added services to their clients.

The company's primary focus is on providing highly efficient drilling rigs (ranging from 750-3000 HP), equipped with the latest technology, equipment and world-class crew. As a highly efficient and fast-growing drilling services contractor, the company is also desirous of establishing operations in Latin America, the Middle East, and Africa. The company has been experiencing illiquidity and procurement-related issues that have hampered business expansion plans.

Challenges Faced



The company has a mission to become a global giant in terms of providing clients with state-of-the-art drilling equipment, integrated project management and seismic services in a cost-effective and operationally excellent manner. To execute functions flawlessly, safely, and profitably, the company has recognized that it needs to undertake various steps to automate functions internally and take advantage of cost-saving opportunities. The lack of a central system within the company leads to more time and delays in the buyer development process, including steps such as quote collection, negotiation, and awarding.

To ensure stronger visibility, cost savings and time efficiency, the company approached Procol Technologies.

The specific problem areas that it needed to address were:



Visibility on End-to-End Procurement Processes

Issue: Due to the lack of proper visibility on its procurement processes, the company was missing cost-saving opportunities. To ensure that key stakeholders had a complete overview of the processes, it required a centralized dashboard to raise PRs, POs, collect bids, negotiate with suppliers, and award bids.

Requirement: Ensure automated processes to control and manage PR raising, bid collection, negotiation and awarding bids



Dashboard to Analyze Expenditure

Issue: The company had been manually undertaking the process of analyzing its overall expenditures and soon realized the potential for cost-saving, which could be achieved simply by analyzing overall expenditure patterns and integrating an automated dashboard.

Requirement: To introduce a spend analytics dashboard that allows the company to take strategic calls for cost optimization, vendor development, event planning etc.

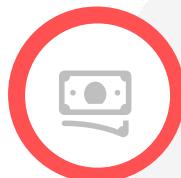


Improve Time Efficiency

Issue: The company's overall time and manpower spent in the purchase requisition process from the initial negotiation to closure stages was very high. To save costs and manage manpower better, the company wanted to lower the TAT.

Requirement: Integrate an automated procurement process to improve time efficiency.

Procol's Impact



Optimization of expenditure worth **INR 1.47 crores** through the implementation of a reverse auction process which brought about stronger visibility in the negotiation process



Generation of savings amounting to **~INR 16 lakhs** in logistics and **~INR 3 lakhs** in raw materials by attaining the KPI of cost-savings



Improvement of ~80% in terms of purchase requisition, negotiation and closure through a lower TAT (from 24 hours to 2 hours)

How Procol Proved Value & Delivered ROI



RFQ & E-auctions Dashboard

Procol Technologies' reverse auction platform helped the company improve its negotiation and bid awarding process significantly. Through Procol's dynamic dashboard, the company could easily raise PRs, collect bids, negotiate with suppliers and award bids.



Introducing Indirect Procurement Solutions

With Procol Technologies, the company was able to deploy new workflows and event strategies across categories such as international freight and import/exports.



Strategic Cost Optimization

With Procol Technologies, the company was able to integrate a spend analytics dashboard which allowed it to track and manage costs, vendors, suppliers, and buyer bids and quotes. This has helped the company become more strategic in terms of the decisions it takes



Enhancing Business through Automation

Procol has helped the company integrate add-ons to automate their overall procurement process, with a view to cut out manual intervention. This automation includes getting updates on dynamic event time, the ability to show raking/ lowest bid mid-auctions, and automating email quote collections. Overall, the automation of the bid/ procurement process also helped reduce the overall time and costs.

In Summary



Procol Technologies has helped the oil and gas giant lay a foundation for establishing itself as an industry leader globally by integrating centralized systems and internalizing its procurement process, leading to business efficiency and a reduced overall TAT in bid management.

Procol's reverse auction strategies and real-time intelligent negotiation has helped the company optimize their procurement functions across categories. Procol has helped the company declutter supplier management and has introduced a system of updates to ensure improved communication.

Solutions offered by Procol Technologies have been aimed at streamlining the procurement process. In addition, Procol has also helped the company integrate a seamless Enterprise Resource Planning system to automate purchase requisitions, purchase orders and other requisite processes. The company also plans to deploy new workflows and event strategies to counter the volatility in international freight and improve its penetration capabilities.



Procol

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