

BP Lubricants

BP is one of the world's largest oil and petrochemicals groups. Part of the BP plc group, BP Lubricants is an established leader in the global automotive lubricants market. Perhaps best known for its Castrol brand of oils, the business operates in over 100 countries and employs 10,000 people.

 **PROBLEM**

Following merger activity, BP Lubricants wanted to improve the consistency, transparency and accessibility of management information and business intelligence. In order to do so, it needed to integrate data held in disparate source systems, without the delay of introducing a standardized ERP system.

 **SOLUTION**

BP Lubricants designed the BIGS program to provide managers with globally consistent business intelligence and standardized performance indicators on a timely basis. BIGS spans four major areas of business functionality – Sales, Marketing, Finance and Supply Chain. The BIGS initiative is designed to dramatically increase the efficiency and speed of business reporting, by giving BP Lubricants managers a global source of reliable data via web-based self-service reporting formats. As well as delivering global views of information, BIGS will also provide drill-down views at the country, business unit, or functional level. This way, the system enables global reporting while allowing for diverse local reporting needs, such as required by government regulations.

BP Lubricants ran a successful pilot program in Greece to demonstrate the BIGS program capabilities before full scale launch. Kalido's data warehouse automation system lies at the heart of the BIGS pilot architecture.

Kalido integrates management information from numerous source systems, such as Enterprise Resource Planning (ERP), for business intelligence reporting. The software also supported the development of global performance standards while concurrently meeting diverse local reporting requirements.

“BIGS aims to deliver consistent, transparent and accessible management information to business decision makers at all levels using Kalido as the key technology enabler. BIGS will accelerate insight into business performance and support transformational change at BP Lubricants.”

Mark Burrell
BIGS GLOBAL PROGRAM DIRECTOR
BP Lubricants

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Unlike traditional data warehousing methods, the software enabled rapid implementation of the pilot program by adapting at high speed to the pilot's evolving requirements. It also provides a basis for the BIGS program to be implemented as a strategic enabler in parallel with BP Lubricants' ERP consolidation initiatives.

"Following a successful technical evaluation by BP Refining & Marketing Segment, BP Lubricants selected Kalido to power the BIGS pilot. Kalido has distinct advantages in our unique business model and highly complex multi-system environment, giving us a robust footprint for the technical architecture," commented Mark Burrell



RESULT

The BIGS pilot in Greece successfully demonstrated the capabilities that the integrated solution brings to sales, marketing, finance, and supply chain. In all areas, the pilot proved fast, flexible, and cost-effective, and involved minimal disruption to existing business processes.

To serve finance reporting requirements, the BIGS pilot system stored every one of BP Lubricants' 200,000 financial accounts in Greece. In Kalido, these were mapped into a profit and loss (P&L) statement, a cash flow statement, and a balance sheet statement, all containing granular detail. P&L is now able to be generated directly from the ledger.

BIGS also integrated sales and invoicing information, and linked it to relevant factors, such as cost of transportation, details of products sold, and associated rebates. This enabled enhanced comparisons of projected and actual cost of sales. This facilitates, for example, a better understanding of the margin on any given product.

Individual orders can now be tracked in isolation, if required, and linked to invoicing, so that managers can follow the full process from order to invoice. This delivers integrated views that were previously difficult or impossible to generate.

On the accounts receivable side of the business, BIGS provided information such as a daily debt position that can be linked back to individual customers.

BIGS also delivered a host of new capabilities to the marketing function, including sophisticated segmentation of customers. The solution provides information such as customer profitability as well as supporting customer account management initiatives.

The BIGS pilot also demonstrated the ability to cater to local reporting requirements in tandem with global reporting without the need for standardization of operational systems. For example, in Greece BP Lubricants has a statutory requirement to report hydrocarbon production to the government. Using Kalido, BIGS supports a

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Greece-specific hierarchy of products to enable this reporting. This local reporting requirement can be managed without impacting global reporting standards, and data transparency is preserved.

Mark Burrell commented: "With the quality business intelligence delivered by the BIGS initiative, BP Lubricants will be able to improve cash management, drive down costs, and maximize growth and profitability."

By improving the visibility of consistent, timely data, BIGS will provide the information needed to assist the business in identifying a multitude of business opportunities to maximize margins and/or manage associated costs. Ultimately, the BIGS project will enable improvements in production and sales efficiencies, and will enhance BP's competitive advantage and customer facing activities.

Typical responses to the benefits of consistent data resulting from the BIGS pilot include:

Performance managers

- ▶ "I know that all countries define cost of goods and conversion cost in the same way."
- ▶ "We now have the ability to look at information in greater detail, and in new ways."

Sales and marketing managers

- ▶ "I can identify profitable segments and focus resources on maximizing growth. I can leverage global relationships and global deals faster because I can more easily identify total sales to key customers."
- ▶ "I have reduced the time spent on reporting and can focus on analysis."

Sales people

- ▶ "I understand the financial impact of my sales decisions and can focus pricing strategy on maximizing profitability."
- ▶ "Impressive sales and logistics details available."

Flexibility and ease of use

The high flexibility offered by Kalido enabled BP Lubricants to modify its data models frequently during the implementation phase, which reduced overall risk and ensured that ideas generated during preliminary work could be incorporated straight away. It also ensured that the project was completed quickly and cost-effectively. This same flexibility allows BP Lubricants to handle future organizational and business model changes with ease.

Kalido and the BIGS reporting interface, BusinessObjects Web Intelligence, proved to be easy for users to understand, and very little training was required. Using BusinessObjects Web Intelligence, the data model and all definitions stored in Kalido can be viewed as a diagram in BusinessObjects. Users can click on any dimension or entity represented in the diagram, and drill through for a definition.

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Kalido can quickly adapt to changing needs, and by giving virtually limitless control over information direct to business users, it frees up the business from routine reporting and data management work.

With BIGS, business users will spend less time producing multiple views of the same data, and require no assistance from the IT function for most data manipulation and business model management issues. Furthermore, the reports they can produce are faster, more consistent and easier to modify.

Kalido has also highlighted areas where data quality can be improved, and it has helped to encourage users to take more responsibility for data quality by identifying the source data easily and quickly.



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