



cutting through complexity

# Supply Chain Transformation: Vision to Realization

**Case Study:**  
A midstream pipeline and  
utilities organization

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# The issue

**Note:** *Midstream Corporation represents KPMG's client, a premiere North American natural gas pipeline and retail company.*

With the economy beginning to show signs of recovery from the recent economic downturn, companies like Midstream Corporation were seeking to shift their business strategy away from drastic cost-cutting and towards growth & value creation for their customers and shareholders. With a new Vice President of Supply Chain in place, Midstream Corp. looked to supply chain as a key lever to lower operating expenses and enhance revenue. Industry peers were undertaking similar supply chain transformation initiatives, and Midstream management knew that the analysts would soon expect them to have a similar story to tell.

The VP of Supply Chain wanted to make a substantial impact on his newly inherited organization. Coming from an operations role in the business, he had witnessed first-hand the lack of influence Supply Chain had with their internal customers. The Operations group conducted most of its own sourcing and relegated supply chain to a tactical, "paper-pushing" role. Having spun off from their parent company just two years prior, the organization suffered from a number of inefficient and disparate processes leftover from a combination of legacy mergers and divestitures. The VP wanted to replace the "business unit first" mentality with an 'enterprise' lens that reflected a more strategic, and unified organization. Additionally, he wanted to change the perception of the supply chain

function as a strategic business partner focused on value and innovation rather than cost and compliance.

With the economic recovery, the demands on supply chain were expected to increase as Midstream planned more capital expansion projects. In addition to heightened demands from internal customers, the window of opportunity to lock-in favorable terms and prices with the supplier market was expected to shrink quickly. The timing of the supply chain overhaul was right, and the client could not afford to leave any more money on the table by delaying the transformation initiative.

As the VP of Supply Chain considered the issues he was facing, he recognized that his group had neither the capacity nor the capability to accomplish a full-scale transformation on its own. He needed to find a strategic partner with deep industry and supply chain experience to help him develop and realize the future state vision in a manner that introduced sustainable structural change within the organization. To execute successfully, he recognized the need to "think big, start small, and scale fast." After some deliberate and careful evaluation of the different service providers in the market, he chose KPMG to be his business partner in this multi-year, multi-phase transformation journey.



**A narrow focus  
on costs can miss  
the bigger value  
opportunity.**

# A structured and integrated approach maximizes benefits

Business transformation can be a daunting task for any organization to undertake. Based on experience with clients across industries and borders, KPMG has built a robust approach to Supply Chain Transformation to help companies transform the way they source, manage, and buy materials and services. Recognizing the scale of the change Midstream was seeking, KPMG recommended an integrated approach to enhancing supply chain, and sustaining the value delivered. It comprised four key components/phases:

**Define Vision and Guiding Principles.** Every journey must begin with the end in mind. KPMG would help Midstream define their enterprise-wide vision of supply chain, that was in support of the goals of corporate management. To attain this vision, KPMG would capture key overarching rules voiced and agreed by management, and would promote these principles to guide decisions to be made throughout the program.

**Develop Roadmap and Establish Business Case.** KPMG would begin the transformation journey by conducting an initial assessment of the client's supply chain function. From this assessment, KPMG would identify a full range of improvement opportunities and develop a business case for each of them, to demonstrate their hard and soft benefits for each opportunity. Based on the assessment and the business

case, KPMG would then prioritize the opportunities that would help lead Midstream towards its long-term vision of a world-class supply chain organization.

**Execute Program.** After Midstream validated the business case and selected the opportunities the company wished to pursue, KPMG would develop an implementation plan to execute the opportunities efficiently and effectively. This transformation effort would be managed as a single supply-chain sponsored effort with a central program management office, a dedicated change management team, and distinct workstreams.

**Sustain and Monitor.** The ability for the client to sustain the change and continue to capture and even increase savings after the formal program ended is a critical success factor of any KPMG engagement. KPMG would work with Midstream on designing an organization and metrics that would continue not only using the established processes and tools from the transformation, but also continue to develop and seek additional opportunities. KPMG would also establish a formal knowledge transfer program for each workstream to confirm the company's readiness to support the go-forward processes.

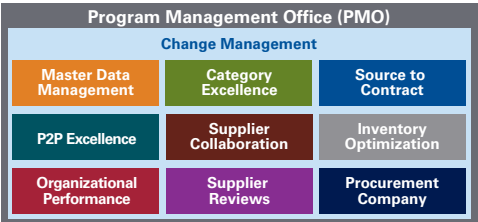




# How KPMG helped

Midstream Corporation’s goals were ambitious: a total savings of \$100 million within three years. Through KPMG’s initial conversations with management, it was clear that Midstream was serious about attaining this goal and realistic about the need for external assistance. The company wanted to understand their spend, implement leading practices, and become a world-class supply chain organization. With KPMG’s help, the different business units at Midstream conveyed on the long-term vision for supply chain, or “what they wanted to be when they grew up vision.” This vision was supported by the following objectives:

- Manage spend effectively, leveraging the purchasing power of the enterprise
- Develop and foster strategic partnerships with key suppliers and internal customers
- Enhance visibility to company spend and transparency around procurement process
- Increase process efficiency through elimination, simplification, and standardization of activities
- Maximize automation of procurement transactions and adoption of enabling tools
- Foster conformance to the recommended contracts, processes and tools
- Become an organizationally efficient supply chain that delivers measurable, sustainable value to the business



- Attract, develop, and retain highly competent supply chain professionals
- Identify and provide proper controls for supply chain risks

With no time to lose, KPMG began the supply chain assessment, starting with a detailed review of existing process documentation, an analysis of third-party spend & cycle-time metrics and a series of targeted interviews with supply chain and business personnel. The assessment revealed over 40 opportunities to increase savings and drive value throughout the company’s supply chain. The initiatives were prioritized based upon business impact and ease of implementation, and mapped to a set of functional and time dimensions to reflect the evolution of the client’s supply chain function. Midstream then validated this transformation map in a workshop with a cross-functional set of stakeholders to gain consensus and commitment.

After validating the transformation map, KPMG developed a robust integrated business case to facilitate an understanding of the underlying cost levers for the various initiatives and quantify the expected return on investment. A critical factor in the acceptance and success of the supply chain transformation would be agreement among management on the benefits of the program. To accomplish this, KPMG sought to develop a rigorous approach to defining and tracking hard dollar benefits, and to translate the benefits into a language that Finance could understand.

The final step was to group the set of transformational opportunities into distinct program work streams and develop an overall program schedule. KPMG sequenced the activities so that Midstream could realize benefits early in the improvement journey and achieve credibility, while also building the underlying foundation for long-term sustainment. This roadmap provided the client with an explicit path to attain its long-term vision of becoming a leading supply chain organization.

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# Program management office

*Operating a Program Management Office (PMO) to meet the objectives of the Supply Chain Excellence Program within the cost and schedule proposed*

Program Management Office (PMO)		
Change Management		
Category Excellence	P2P Excellence	Organizational Performance
Master Data Management	Inventory Optimization	Supplier Management
Source to Contract	Supplier Collaboration	Procurement Company

## What KPMG did

- Midstream and KPMG determined that the most effective manner to meet the objectives defined in the supply chain transformation roadmap was to structure the transformation effort as a program, with a centralized command structure that included change management.
- Working with Midstream, KPMG developed a governance structure, organizing the team functionally into work streams and projects with both a client and a KPMG project manager. This was supported by a business unit liaison organization to provide a layer of quality management and business unit feedback as well as driving change in the business units.
- Defined all aspects of the governance structure, including communications plans, reporting standards, knowledge and information sharing, templates, issue and risk tracking and management
- Established change control and decision-making process to work key design issues and address scope, time line, and budget issues

## Motivating factors

- Midstream had a history of “flavor of the day” projects that lost momentum and/or did not result in sustained change.
- Midstream corporation recognized the need to treat this significant investment and effort as a program with dedicated resources focused on schedules, budget and scope.
- The broad scope and number of stakeholders required a single point of contact and coordinated messaging across the board.
- The investment and expected benefits dictated that a formal structure, budget, and reporting process be established.

## Key results

- Created an integrated program and change management office to drive governance of the program scope, benefits, schedule, and results
- Developed a focused transition management approach to validate that the client received the knowledge, tools, and brand capabilities required to sustain the results
- Delivered benefits exceeding the business case by 30 percent
- Created a sustainable program for change management and transitioned ownership to client to sustain change



# Change management

*Managing change and securing commitment effectively across a complex environment*

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## What KPMG did

- Established a program-wide change manager at the PMO level in order to create a common toolkit and approach to manage the stakeholders, communications, change impacts, change readiness, training, and workforce transition management
- Managed change activities at the program level and provided guidance and oversight to the individual workstream change management resources
- Implemented the same common tools, templates, and approaches at the individual project levels

## Motivating factors

Historically, change had not been handled well, and the SCE program was a fundamental transformation for the company. Midstream recognized the need to proactively manage the change that would occur based on the scope of this program, which would put into place enterprise-wide systems and processes for the first time, requiring buy-in and support at the senior levels and across business units. Further, the culture of the three different business units would need to be guided in a consistent manner but with tailored messages.

## Key results

- Created an effective change management program at the PMO level for strategy and leadership, while also executing change management at a tactical level in the individual projects
- Created an effective brand for the overall program through: identification of stakeholders and their communication needs, creation of focus groups, and training for stakeholders on the new policies and procedures
- Deployed a change network with key business unit liaisons to take ownership of the changes
- Created a structured program for change management and transitioned ownership to client to sustain change

# Category excellence

*Developing and executing a structured approach to category strategy and supplier selection*



## What KPMG did

- **Standardized the category management process**
  - The Category Management process included a six-phase approach, with detailed steps for each phase provided
  - Developed a training guide for tracking benefits and the spend analysis tool
  - Incorporated change management methodologies to support the Category Management process for all categories
- **Defined strategic sourcing waves**
  - Identified over 50 potential sourcing categories
  - Refined potential category list based on criteria such as percent addressable, high sensitivity, probability, and recent sourcing activity.
- **Executed strategic sourcing in established waves**
  - **Pilot:** Chemicals, Lubricants, IT Hardware, and Voice Services
  - **Wave 1:** IT Software, Inspection-Construction, Environmental Services, Print Services, Staffing-Temporary Labor, and System Application & Support
  - **Wave 2:** Drilling, Well Workovers, Reciprocating Engines, Maintenance, Repair, and Operations (MRO) Consumables, MRO Electrical, Construction & Maintenance, Technical Staffing & Right of Way Agents, and Nondestructive Examination (NDE)
  - **Wave 3:** Advertising/Media Services, MRO Bottled Gases, Right-of-Way Maintenance, Electrical/Instrumentation, Equipment Rental, Survey, and Vacuum

## Motivating factors

Supply chain was not traditionally seen as a back-office function and did not provide a strategic function for the business. The organization lacked standardized processes in strategic sourcing and category management across business units. The supply chain resources were focused primarily on tactical changes and contractor renegotiations. Therefore, in order for the company to continue its growth, it needed not only to cut costs but also to do it in a strategic way to create a sustainable model for the future.

## Key results

- Established a Category Management process that enabled the company to identify, contract, and sustain substantial sourcing benefits
- Conducted the sourcing efforts associated with 25 categories to negotiate, implement, and realize the benefits, focused on:
  - Joint effort between supply chain and field/business representatives
  - Aligning suppliers towards meeting business objectives
  - Selection of suppliers based on value delivered to the business unit and as an enterprise
- Average return of 7 percent savings over categories sourced
- 7 Individuals hired for Category Management Group
- 45+ contracts established

# P2P excellence

Streamlining and standardizing the process of procuring goods and services

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## What KPMG did

- Defined the purchase-to-pay (P2P) Strategy**
  - Overarching “big rules” that set the organizational policy for how materials and services will be procured
  - A catalog strategy for managing internal and external material/service master data
  - Key performance indicators (KPIs) and a defined governance program used by supply chain for ongoing performance management
- Established a common P2P blueprint process model based on the newly defined strategy**
  - Alternative and collaborative blueprint design workshops with cross-functional, cross-geographical extended team members
  - Validated current-state “local” processes and arrived at the future-state enterprise (common) processes
  - Developed category-based buying channels (requisition-to-payment) for materials and services across all Operations, Engineering & Construction and corporate functions
  - Designed an organizational super-user program designated to improve data quality and alleviate administrative burden on key field personnel
- Implemented the future-state P2P processes and supporting technology platform**
  - Created required process documentation and conducted user training of new future-state P2P processes
  - Enabled the entire P2P process across all firm-wide technologies
  - Communications of the processes via intranet Web site “How Do I Buy...” ensuring proper process guidance and instruction

## Motivating factors

Midstream Corporation’s supply chain organization lacked common, efficient P2P processes with a high degree manual activities. Multiple business units were performing the P2P processes differently making it difficult to measure and manage spend at the enterprise level. Additionally, technology was not being exploited.

## Key results

- Established an enterprise-wide P2P strategy and blueprint
- Completed implementation of the P2P process and technology platform into its U.S., and Canada-based business operation
- Integrated multiple “punch-out” catalog suppliers, who are now sharing their catalog content via the catalog content application
- Launched intranet Web site “How Do I Buy” to guide users to the preferred supplier and preferred P2P buying channel based on a specific material or service category

# Organizational performance

Establishing a global center-led supply chain organization supported by an active network

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## What KPMG did

- **Designed the target organization**
  - Assessed current organization and people
  - Determined design criteria and developed future organizational model options
  - Evaluated options and selected target organizational structure
- **Developed the organizational transition plan**
  - Developed job design materials/role descriptions
  - Developed implementation and communication strategy/plan
  - Mapped current employees to new model/roles
  - Assisted in staffing and guiding the ongoing organizational transition
- **Implemented frameworks for organizational sustainment**
  - Established a common supply chain performance measurement framework
  - Helped to operationalize the Center of Excellence
  - Assessed the Supply Chain upward reporting structure
  - Developed a technical competency model which included a list of competencies for each Job Family, competency descriptions by level and mapping to current Supply Chain jobs

## Motivating factors

Midstream Corporation had three business units with operations in the United States and Canada. The supply chain organization functioned as a decentralized model with separate cultures and regional focus, and the skills were not aligned with the ‘to be’ responsibilities. There was a lack of standardized processes and systems across business units, an ineffective use of supply chain resources across the organization due to duplicate roles, with no focus on the total cost. Therefore, there was a need to redefine the organizational model to be more efficient and effective.

## Key results

- Designed 27 new center-led roles and assisted in staffing 18 of their roles
- Created a supply chain technical competency framework with 3 job families and 19 competencies, each containing 4 proficiency levels. Mapped 37 supply chain jobs to this model.
- Designed 17 new metrics to promote sustainability of the new model
- Conducted assessment of current organization
- New center-led organization design
- Job design materials for new organization
- Mapped current-state employees to future-state job roles and assisted in staffing new team members
- Wrote supply chain upward reporting structure white paper
- Employee competency self-assessment tool, communication plan, and training plan

# Master data management

*Cleansing item master data and deploying master data governance to keep data clean*



## What KPMG did

- Performed an MDM Tool and Schema Assessment
- Designed the Item Master Business Blueprint including process flows and narratives
- Designed MDM governance model
- Facilitated data cleansing
  - Assisted client in evaluation of a data cleansing supplier
  - Defined data scope for cleansing
  - Managed client quality review and domain standardization.
- Defined an item master taxonomy, with noun-modifier classification and class-specific attributes
- Designed item master maintenance processes and supporting governance model, including organization and key metrics
- Selected and rolled out a master data management (MDM) tool to enable business processes and enforce item master standards within the United States
- Developed the Data Conversion Strategy and documentation
- Developed a Training Strategy and documentation
- Developed a Communication Plan

## Motivating factors

Midstream’s master data for procured items was inconsistent, incomplete, and full of duplicates. As a result, the company was experiencing low item master usage in procurement transactions. This, in turn, hindered Midstream’s visibility into spend inventory and prevented the company from taking advantage of opportunities for automation in supply chain processes. Further, the company’s three business units maintained distinct, yet overlapping, catalogs.

## Key results

- Defined enterprise wide MDM processes
- Consolidated shared taxonomy and records into an enterprise catalog
- Eliminated obsolete and duplicate material records
- Implemented an MDM tool across all three U.S. and Canadian business units
- Created an MDM governance organization, including three Data Stewards, a Data Manager and a cross-functional MDM Advisory Council

# Inventory optimization

*Minimizing inventory spend and carrying costs while maintaining service levels*

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## What KPMG did

### • Current-State Assessment

- Review of current-state processes to determine gaps with respect to industry leading practices
- Establishment of a set of inventory management guiding principles that are common to all business units

### • Developed Business Process Blueprint

- Detailed flows and narratives for all key inventory management processes
- Swim lanes and RACI charts defining roles and responsibilities for each process step
- System and reporting requirements to support the enterprise-wide processes

### • Performed Data Analytics

- Review of current material usage and lead time to recommend target stock levels
- Part segmentation to facilitate material strategy setting
- Identification of excess and obsolete inventory

### • Executed Change Impact Analysis and Designed Implementation Roadmap

- Organizational impact related to the enterprise-wide processes
- High-level roadmap that identifies key considerations to implement the enterprise-wide set of processes

## Motivating factors

Midstream Corporation did not have a consistent set of processes to manage their inventory of spare materials. Additionally, the company did not have adequate visibility to inventory levels nor reliable controls in place to prevent the accumulation of excess and/or obsolete inventory. This prompted the need for a comprehensive set of inventory management processes and controls to ensure Midstream was minimizing inventory spend and carrying costs while maintaining proper reliability and service levels.

## Key results

- Achieved consensus on a revised inventory definition along with a set of inventory management guiding principles
- Developed a consistent set of inventory management processes, leveraging industry best practices, across three distinct business units
- Identified \$38 million in excess inventory across two Canadian business units
- Estimated inventory reduction opportunity for U.S. business unit of \$35–135 million, for a one-time savings of \$500K–\$1.5 million. Ongoing inventory savings for United States estimated at \$300K/year attributable to a reduction in inventory shrinkage and degradation.



# Supplier reviews

*Establishing a program to monitor suppliers' compliance to contract terms*

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## What KPMG did

- **Developed a holistic supplier review program**
  - Created policies and procedures to govern the program
  - Identified specific procedures for delivering a compliance engagement
  - Identified leading practices pertaining to contractual terms and conditions (specifically audit clauses)
  - Held briefing sessions with category managers to identify the accounts for the possibility of a detailed supplier review
  - Identified metrics for selection
    - Conducted a spend analysis to identify high-dollar contracts by category with self-reporting elements
    - Conducted a risk assessment of target contracts, assessing residual risk based on criteria codeveloped with the client.
    - Criteria included the quality of the relationship, quality of self-reported information, dollar throughput, financial condition, and the supplier's strategic role in the company's value chain
- **Delivered Contract Compliance Services Supplier Review Program**
  - **Scope:** Worked with our client to understand client environment and perform preliminary scoping activities
  - **Prepare:** Worked with the supplier to understand their processes, controls, and available data
  - **Execute:** Performed interviews, data analytics, and testing to identify and confirm any issues and/or findings
  - **Report:** Documented any issues and/or findings that were identified during the engagement and reported to our client

## Motivating factors

- Gaining the full value due from contracts is a primary concern for Midstream in terms of enhancing income, reducing costs, and meeting compliance issues.
- Midstream did not have a supplier compliance program and wanted to establish a program for the following reasons:
  - To improve compliance with contractual terms and conditions
  - To increase the ability to obtain the full value from the negotiated terms
  - To collect on overpayments made to suppliers/vendors

## Key results

- Identified recoverable monies due to client that resulted from inappropriate contract management
- Recommended process improvements including contractual verbiage to assist our clients in the creation and management of their supplier contracts
- Improved the communication between our clients and the vendors around potentially unclear contractual topics

# Source-to-contract

*Enabling consistent and structured processes for supplier pre-qualification, sourcing, and contract lifecycle management*

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## What KPMG did

- **Designed Pre-Qualification Processes**
  - Conducted current-state assessment across business units to evaluate scope and effectiveness of processes
  - Developed future-state process design and third-party supplier requirements
  - Conducted RFP to select third-party services provider and managed supplier evaluation and selection process
- **Developed e-Sourcing Blueprint**
  - Developed enterprise sourcing process to execute RFx's via the integrated sourcing tool
  - Developed key templates and question libraries for sourcing tool
  - Defined overall process and integration points to procure-to-pay and other supply chain processes
- **Developed Contract Lifecycle Management Blueprint**
  - Assessed current-state processes, technology architecture, and organizational change impacts
  - Developed an enterprise contract lifecycle management process to manage contracts from inception through retirement
  - Developed key contract templates and clause libraries

## Motivating factors

Midstream Corporation's supply chain organization lacked standardized processes and systems for the Source-to-Contract process across the organization. This led to a disparity in the way contracting was undertaken, created inefficiencies in the time required to complete/manage contracts, and led to duplication of efforts in creating and managing RFx.

## Key results

- Defined an enterprise source-to-contract process spanning three business units and two countries, to decrease processing times, increase cross-functional collaboration, improve compliance to stated terms and conditions, and more efficiently manage the sourcing and contracting functions
- Standardized contract and RFx templates to take advantage of enterprise-wide tools and templates
- Implemented the defined processes and technology solutions

# Supplier collaboration

*Enabling electronic exchange of purchasing documents with suppliers*

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## What KPMG did

- **Supplier Portal Vendor Selection**
  - Evaluated the leading digital marketplaces and exchanges to determine a fit-for-purpose service provider for Midstream Corporation
- **Electronic Document Exchange of Key Purchase to Pay documents:**
  - Implemented the supplier portal across the enterprise to enable electronic exchange of PO, PO confirmations, and invoices, for materials and services
  - Automated the Service Confirmation workflow process via the supplier portal applications
  - Emphasized change management and communications to ensure end users and suppliers understand new processes and tools
  - Automating electronic document exchange of Service Release Orders and Invoices
- **Supplier Enablement:** Supplier Enablement is the process of identifying, analyzing, and enabling a specific supplier or supplier group to transact on the supplier portal/network
  - Developed and executed a Supplier Enablement Plan for transitioning targeted suppliers onto the supplier portal for electronic transactions

## Motivating factors

Midstream Corporation's supply chain organization saw limited use of tools by field personnel in some business units. Transactions were mainly paper-based and manual, while purchasing policies and procedures were inconsistently applied across business units. Midstream engaged KPMG with a need to:

- Automate the purchase-to-pay processes across business units through document exchange via the supplier portal
- Increase sourcing benefits
- Improve compliance with purchasing policies

## Key results

- Eleven strategy suppliers onboarded
- Four catalogs hosted
- Over \$11 million spend and over 700 purchase orders on supplier network in first 90 days
- On-line PO submissions to suppliers eliminates manual e-mail and fax orders
- Online PO confirmations from suppliers provided buyers with real-time information on delivery dates
- E-mail notifications for PO confirmations and shop notices provided buyers updated order status even when not logged in to ERP
- On-line invoices created via "PO Flip" reduced errors and improved invoice processing efficiency

# Procurement company

*Establishing a procurement company that can be utilized for cost savings.*



## What KPMG did

- **Created new purchasing company entity**
  - Established entity requirements
  - Evaluated existing entity capabilities
  - Assisted client with new entity type selection
  - Assisted client with entity registrations
- **Established project opportunity requirements**
  - Defined project opportunity requirements
  - Advised client on evaluating project opportunity requirements
- **Designed and documented procurement company process**
  - Assessed current-state purchasing processes and technology
  - Gathered procurement company business and operational requirements from various departmental stakeholders
  - Defined procurement company purchasing process utilizing current company technology

## Motivating factors

Midstream Corporation reviewed historical purchases and recognized potential benefits to a centralized procurement company. These benefits include compliance control, improved cash flow, increased organizational purchasing power, and various tax saving opportunities. Midstream engaged KPMG with a need to:

- Quantify potential saving opportunities offered by a procurement company
- Assist in the design of the procurement company process
- Implement a procurement company

## Key results

- Utilized company feedback to identify and implement an improved entity structure for the purchasing company
- Established a process to identify and capitalize on cost saving opportunities offered by a procurement company
- Helped achieve savings through sales tax optimization and deferral
- Established a process by which the purchasing company will purchase materials and sell to appropriate company business units



# Supply chain transformation: The journey continues

The transformation of a supply chain organization should not be seen as a single project or a series of independent efforts, but a carefully coordinated set of interdependent initiatives, each contributing to the company's vision of becoming a leading supply chain organization. World-class is not a destination, but a journey, and should be sought on a continuing basis.

As demonstrated in our featured pipeline & utilities company, most supply chain organizations are at various levels of sophistication across the different dimensions of supply chain excellence. As a result, their journey to world-class is reflected in a transformation map that is not cookie-cutter but instead reflective of their specific points of departure & points of arrival. By recognizing that the change impacts, barriers, and interdependencies will vary greatly along the journey, a tailored approach to managing these challenges will increase the likely success of the transformation.

But the journey does not end when the official transformation effort comes to a close. Rather, the success of the long-term transformation is a continuing

journey, which depends on the ability of the organization to sustain the benefits and continue its improvement path after the primary transformation activities have been completed.

The progress of a company's supply chain proficiency can be mapped to a maturity model as shown below. The pipeline & utilities company featured in this case study realized tremendous measureable progress leapfrogging multiple levels of proficiency in less than three years. Gains in the areas of globalization of approach and tools, standardization of processes, and a focus on value drove this evolution.

The transformation would not have been possible, however, without the projection and realization of compelling financial benefits. As a result of the supply chain initiative, Midstream Corporation has realized savings that exceed its initial targets by 20%. KPMG's integrated supply chain transformation approach helped amplify savings, accelerate benefits, and sustain value.

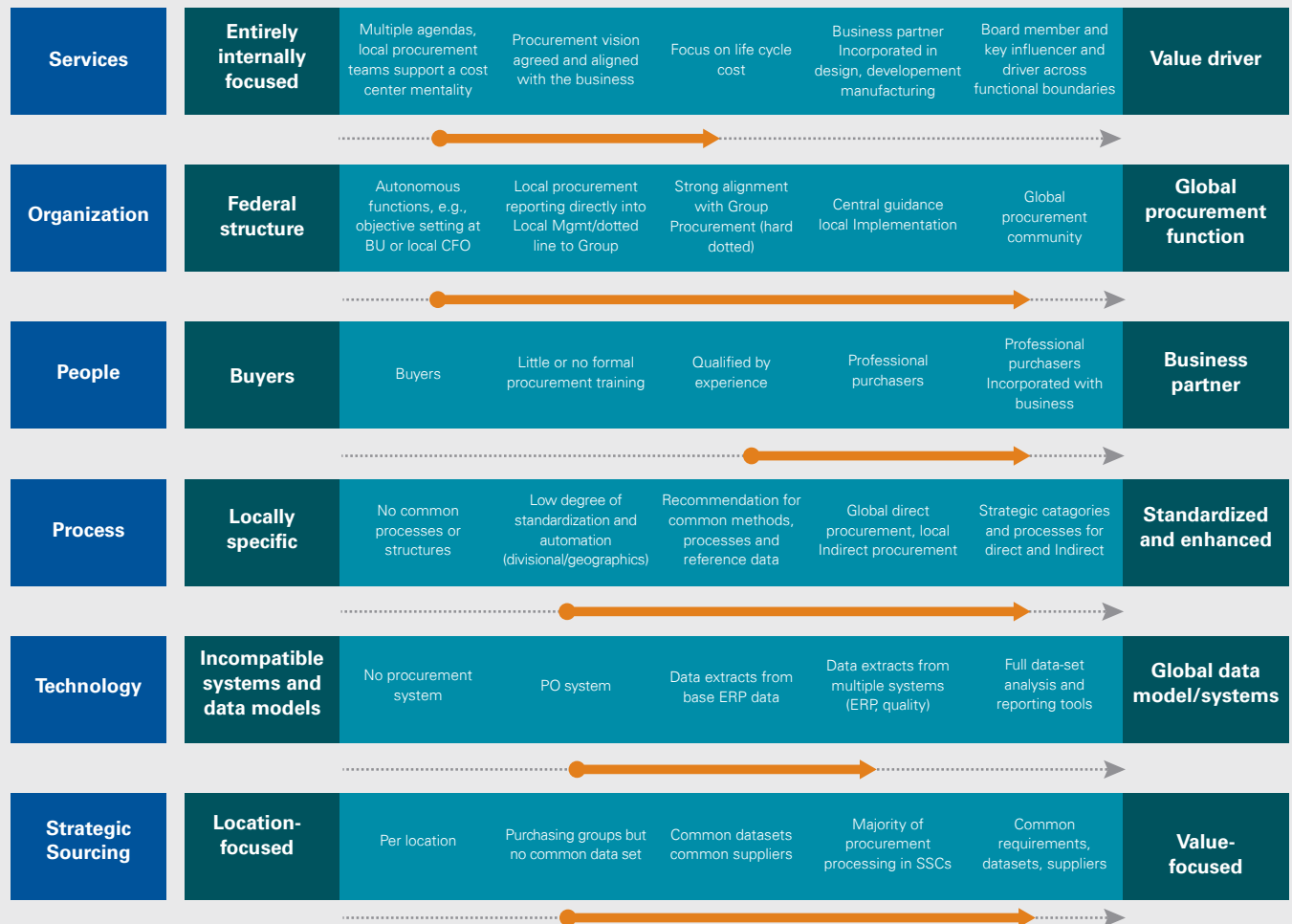
"Having worked with other consulting organizations in the past, I felt KPMG differentiated themselves by not only providing the insights and knowledge of leading practices but how they collaborated with us to design and deliver a supply chain program that was tailored for our needs. KPMG brought resources with broad and deep expertise to support every aspect of the transformation and were able to fit in with our culture to the point that it became difficult to differentiate a KPMG team member from one of our team members. KPMG has been a true business partner in our journey and critical to the success of our transformation."

– General Manager, Supply Chain Excellence, Major North American Energy & Utilities Company



## Components

## Maturity of Procurement Organization



# About KPMG

## Leadership in the marketplace

### Joint research studies/publications



*Supplier Category Management:*  
Driving value through the procurement organization



*Right Alignment:* Evaluating options for procurement reporting alignment



*Power of Procurement:* A global survey of Procurement functions



*Rethinking Cost Structures:* Creating a sustainable cost advantage



*Procurement as a Value Lever:* Driving business value through Improved Procurement Performance



*Balance Supplier Risk vs. Reward:* 7 steps to gaining the greatest total value from your supplier relationships while minimizing risk

### Conference sponsorships and presentations at industry conferences

- APQC Conference
- Cloud Expo
- Logistics and Supply Chain Management Conference
- Sourcing Interest Group
- Procurement Leaders Forum
- Council of Supply Chain Professionals
- SGA Supply Chain Management Conference



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