

How Technology can help the Industry

PESA

Supply Chain Forum

June 27, 2007



We will talk about.....

- *Who is Plan b Solutions and what do we do?*
- *SCM and industry challenges, what are they?*
- *How one company met challenges with technology.*
- *Discussion, questions?*

Plan b Solutions – Member API and WSPA

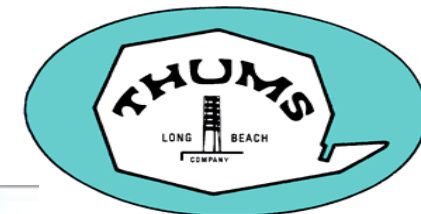
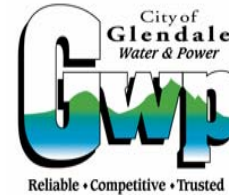
- Founded in 2000 by Principals from a leading systems integration firm.
- Key focus areas:
 - Project Management
 - Field Work Force Automation
 - Wireless Technologies
 - Asset Management / Regulatory Compliance
 - Supply Chain Management
- Serving three primary industries:
 - Energy
 - Transportation
 - Field Service Companies
- Operating principles:
 - Not associated with any hardware or software
 - Experienced industry and technology professionals
 - Customer centric / easy to do business with.

Client and Industry Experience

Our consultants have worked with Municipalities, Utilities, Transportation & Logistics, Oil & Gas companies and other organizations that employ mobile workforces.



Pasadena
Water & Power



What are some challenges in the Petroleum Industry today?

- Aging Workforce – retiring soon?
- Transfer of skills and industry knowledge – only Joe knows?
- Mergers and acquisitions – how do you fold into the company?
- Do more with less
- Increase profits, lower operating costs
- Multiple processes for similar work
- Multiple computer systems
- Information/Data
 - Located in disparate systems, files, data bases across the organization
 - Not available to everyone in the organization
 - Often in many paper forms- Suppliers and Vendors not Automated
- Aging Infrastructure – need to upgrade but how?

Top Challenges to implementing a New SCM Roadmap

<i>Top Challenges</i>	<i>Most Effective Responses</i>
<i>1. Silo-based supply chain processes</i>	<i>Create cross-functional process teams aligned by product family, channel etc.</i>
<i>2. Lack of IT budget and resources</i>	<i>Build business case for SCM technology that links to clear benefits for other departments</i>
<i>3. Business- as- usual mentality</i>	<i>Implement a change management program to encourage innovation among supply chain staff</i>
<i>4. Lack the internal skills to use more advanced SCM technology</i>	<i>Choose SCM technology with service-oriented architecture to ease integration and usability</i>

Technology Footprint Priorities of Supply Chain Innovators – Aberdeen Group 2006

Application Area	Priority #1	Priority #2
Demand Management	Demand management that supports specific product-level, customer, and channel forecasts	Forecast collaboration with customers or suppliers
Inventory Management	Inventory optimization that determines how much and where to hold inventory across multiple supply chain tiers	Strategic network design to optimize facility locations and size
Supplier & Global Trade Management	Supply chain visibility	Supply chain costing
Transportation Management	Advanced shipment visibility that includes status, projected ETAs, alerts, and resolution workflow	Carrier collaboration
Warehouse Management	RFID	Flexibility to support dynamic, customer-tailored fulfillment workflow
Manufacturing Planning & Scheduling	Master scheduling across a combination of in-house and outsourced manufacturing	Constraint-based manufacturing planning and scheduling

Maturity Lifecycle for SCM

Supply Chain Striver

- Supply Chain visibility
- Manufacturing Automation
- Internal Demand Management Collaboration
- Transportation mgmt optimization and freight audit
- Warehouse process flexibility and labor mgmt

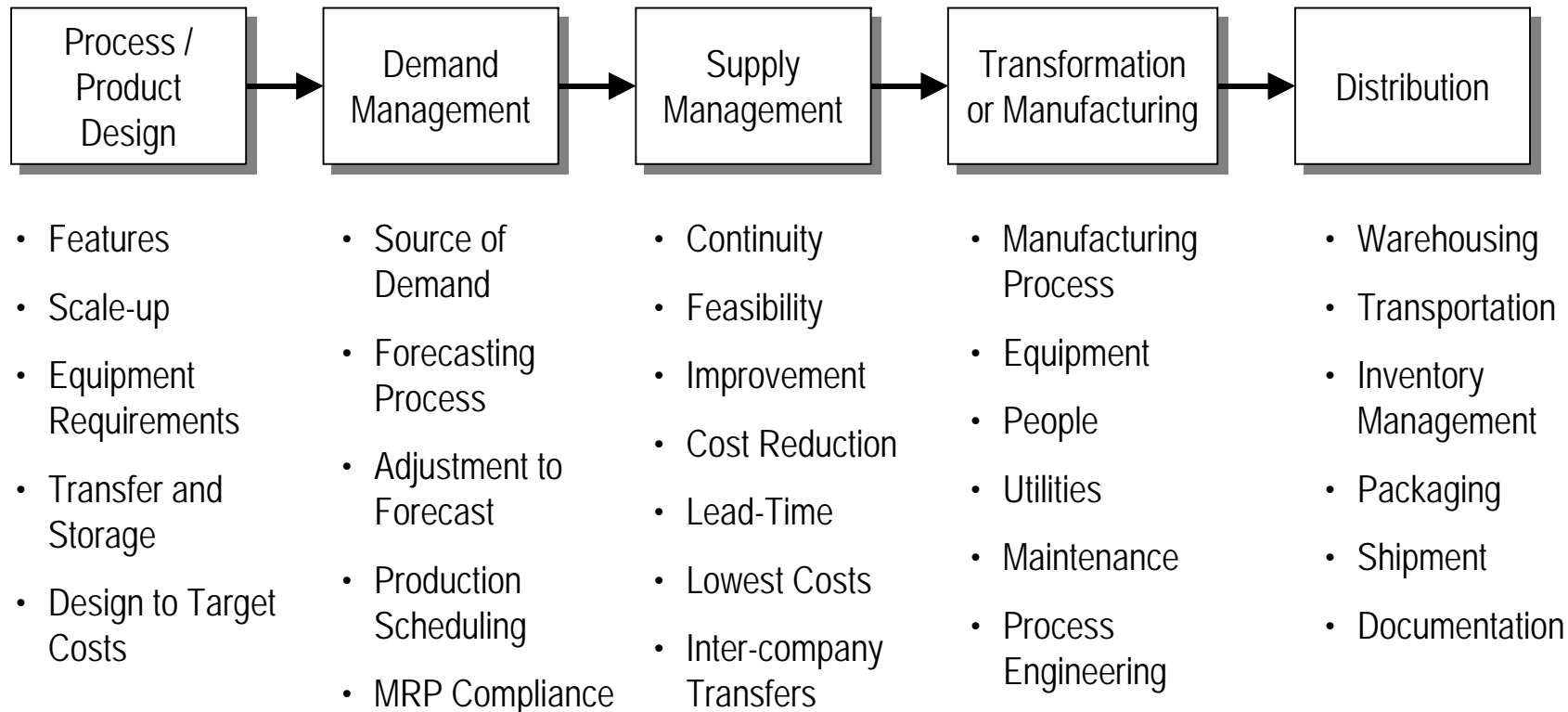
Best Practice Seeker

- Supplier/Contract Manufacturer collaboration
- Multi-tier inventory optimization
- External demand mgmt collaboration
- Import/export compliance and documentation automation
- Inbound freight mgmt and int'l transportation mgmt

Innovator

- Advanced visibility with resolution workflow
- Full integration with trading community
- Full use of Automation throughout process
- Shop floor control with real-time dashboards

Required Steps for a successful SCM system

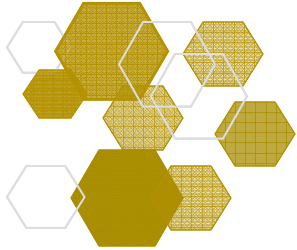


Desired Capabilities in a Next-Generation SCM Solution

- *Ability to manage processes that extend to trading partners*
- *Closed-loop environment between planning and execution to rapidly reshape demand or redirect supply*
- *Deliver real-time visibility into business operations and highlights problem areas and performance issues*
- *Flexibility to manage multiple types of supply chains*
- *Cross-functional enablement, including cross-functional workflow and alerts*
- *Processes driven off of real-time consumption data, including point-of-sale*

Future Trends

- *RFID Technology*
 - *Warehouse receiving*
 - *Inventory*
 - *Work in progress management*
 - *Assembly*
 - *Material tracking*
- *Managed Supply Chain Services – On demand software*
 - *ERP*
 - *Supply Chain Vendors*
 - *Specialized Internal Groups*



Client Example



Our Client – five years ago

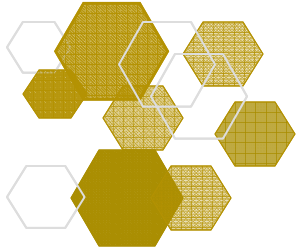
- Over ten years had grown by acquisitions and mergers
- Grown to one of the largest rig-based oil well services companies
- Multiple forms
- Multiple processes
- Large field work force
- No connected systems
- And all the other industry challenges

Course of Action

- Developed a technology roadmap to meet their business goals
- Standardized processes
- Implemented Field Force Management – Work Ticket Management, Dispatch, Wireless data collection
- Implemented Supply Chain/Asset Management and Scheduled Maintenance Management – ensuring safer equipment and optimizing utilization, standard practices in purchasing
- Managed Work flow processes – real time data collection at the oil well location
- Implemented and Optimized Customer Relationship Management
- High availability of operational and customer data

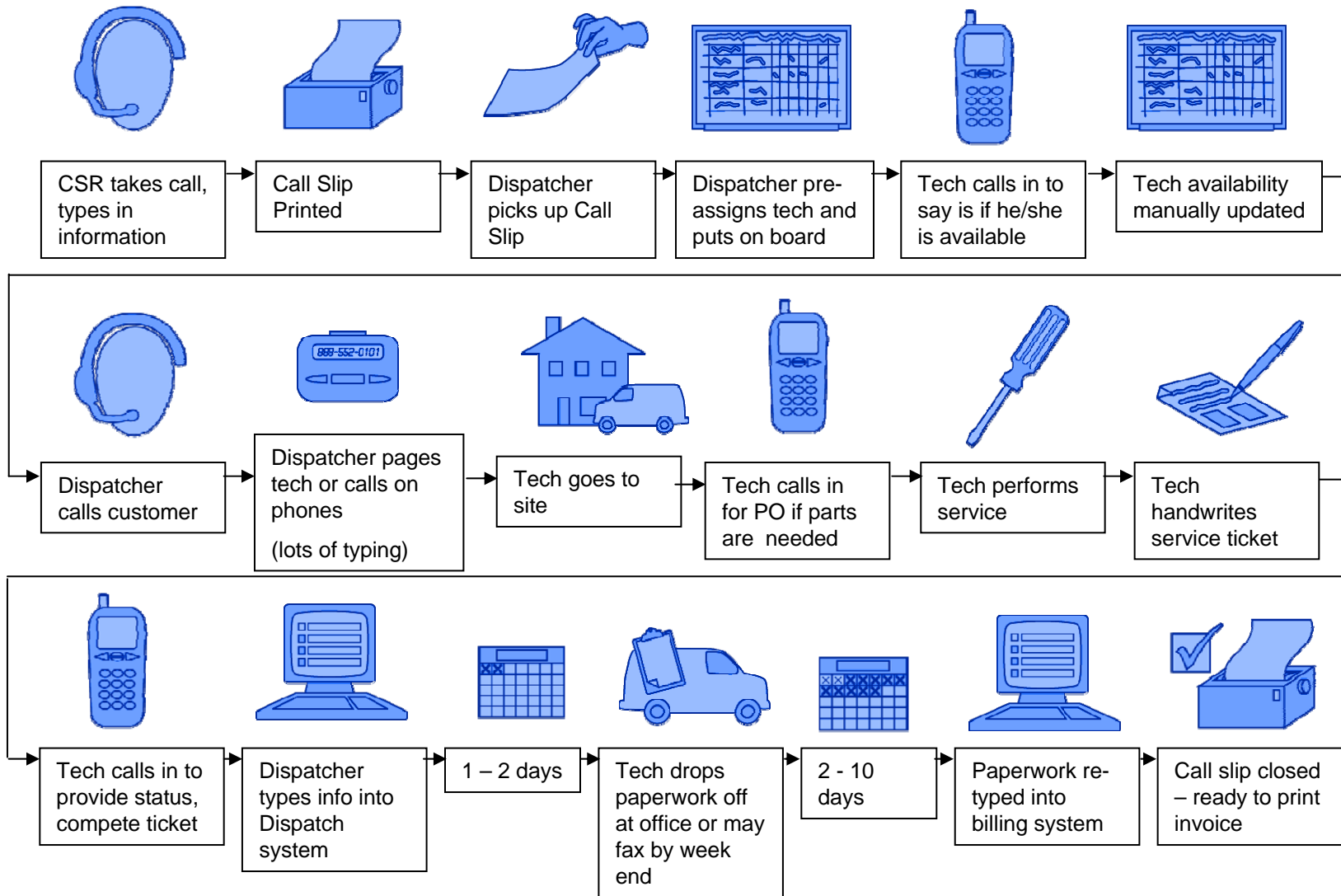
Our Client – where they are today

- *Improved labor utilization*
- *Better DSO or collections through faster billing cycles*
- *Improved equipment utilization and maintenance*
- *Better communication throughout the organization*
- *Meeting more corporate objectives*
- *Reduced service costs for them and for their customers*
- *Improved efficiencies for them and for their customers*
- *Streamlined paper processes, minimizing redundancy and errors*
- *Capturing all aspects of the services they provide to their customers*



Discussion & Questions

Typical Field Service Process (20 steps)



Field Automation Impact

