

**eirô**

**Origin: Greek**

**Meaning: “Connected”**

# Supplier Enablement Best Practice

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# Eirô Consulting - Background

- Eirô Consulting is a professional services firm specializing in the business and technical areas of business-to-business eCommerce within the Oil & Gas and Chemical industries
- Eirô Consulting was formed to satisfy the increasing need for real-world experience and objective advice in the areas of eCommerce implementation and business-to-business open standards integration. It is this singular focus that allows us to deliver extraordinary results
- Eirô Consulting is passionate about driving the broad adoption of eCommerce and helping its clients realize the value of eCommerce through independent, real-world advice, and by providing excellent technical services with insightful strategic counsel
- Eirô Consulting is technology and vendor agnostic and committed to delivering independent solutions within a framework of recognized best practices utilizing industry standards
- The firm has permanent offices in Houston and London

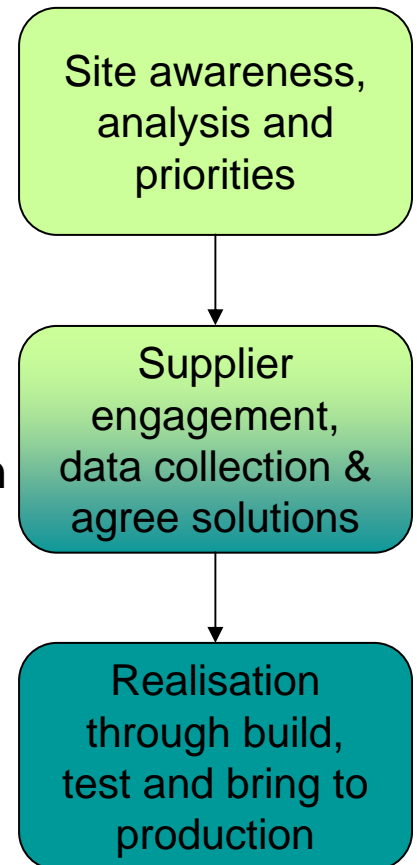
# Complex Services Procurement Experience

- Eirô Consulting employees have been actively involved in virtually every Upstream eCommerce initiative that has been undertaken since 2001
- This involvement included
  - the supplier side, working with and integrating to Operators and their solution providers, and
  - the Operator side, developing eCommerce strategy, designing the business process, implementing system functions and developing and managing supplier enablement activities
- These initiatives have ranged from regional pilots to global implementations
- Eirô Consulting's involvement in these efforts has enabled us to understand what works and what pitfalls to avoid

Operators	Third Parties
Anadarko (US)	Digital Oilfield
Anadarko (Can)	Oildex
BHP	OFS Portal
BP	Quadrem
ConocoPhillips	Wellogix
Chevron	GXS
Unocal	cc-Hubwoo
Encana	Suppliers
Occidental	Baker Hughes
Marathon	Halliburton
Forest Oil	Cameron
Nexen	BJ Services
PEMEX	Vetco
SHELL	Schlumberger

# SE Best Practice Approach

- Know business benefits ahead of Supplier Segmentation
- Understand limitations of each Channel
  - Catalogue, B2B, Web Portal, Paper (Autofax, Email)
- Develop a benefits driven Supplier Road map
  - Consistent Segmentation Approach (tools)
  - Procurement Process First
  - Correct Channel Assignment
- Engage Suppliers
  - Global solutions for global suppliers, local solutions can work for local supplier (cost?)
  - Use and promote industry B2B standards
  - Implementation models for each Industry reduces cost
  - Develop and agree clear trading partner exchange protocols, add to contracts, collaborate on the end to end solutions
- Realisation
  - Internalise into day to day procurement activity



# In a Flat World - Context

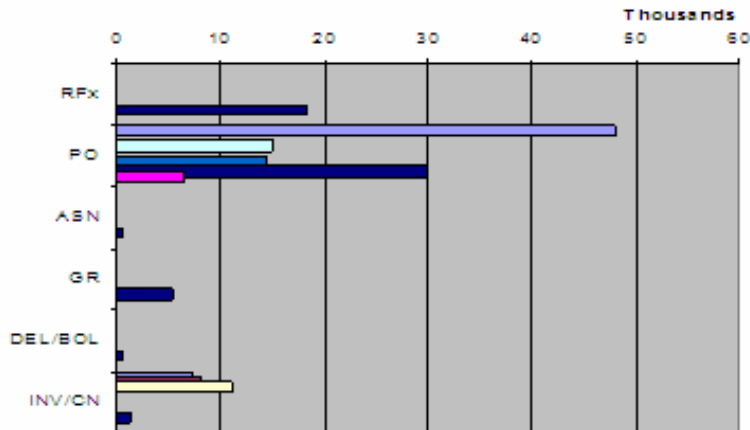
- Infinite complexity in the supplier-customer-supplier connectivity
- Work groups brought together for 3-6 months then disbanded
- Flexibility to connect instantly, transact then disband
- One method to transact through the inter-business network with suppliers and customers [plug, transact, unplug]
- Infinite complexity of trading partners, in the virtual flat world, the 4 person 4 continent “corporation” looks just as big as Exxon!
- My network will just hook to your network and transact using one standard
- Reality Check!

# Today's Slightly Flattened World

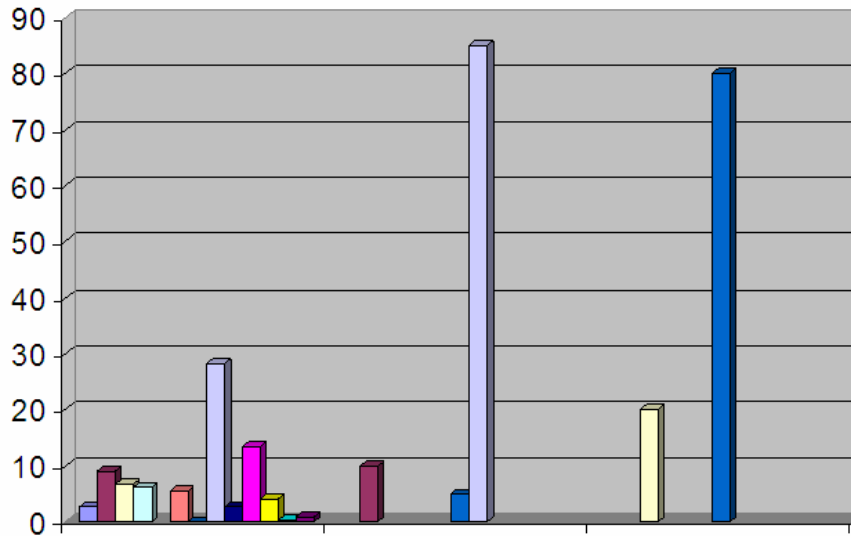
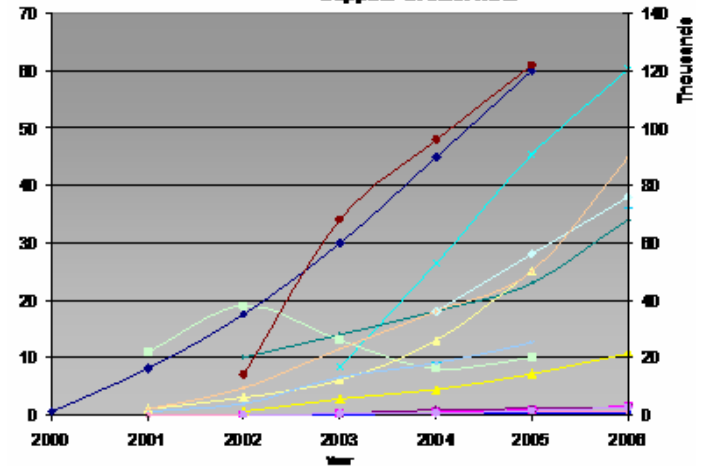
- Trading Partners connect for maximum long term business sustainability
- Few steady state networks interacting cross industry
- Each industry sector is still working through it's own model
- Hubs rarely talk to hubs
- Best practice for integration still emerging
- Industry standards

# Current Status of Networks

Number of Suppliers Transacting



Supplier Growth Rate



- Merchandise
- Small Site Construction & Maintenance
- Additives & Chemicals
- Logistics
- Non Cash Transactions
- Manufacturing EPC & Maintenance Services
- Packaging
- Manufacturing Materials & Equipment
- Power
- Manufacturing Operations
- Technology Marketing Services
- Marketing
- Other

# What will the Flat World Look Like?

- Utility Model – Look at Wireless & Phone Networks
- Transact using the main business documents – PO & Invoice; GR internal activity
- Establish connectivity in days – end to end, multiple hubs – like a banking model
- Flexibility to connect instantly, transact then disband
- Each trading partner will have one method to the inter-business network
- Networks will drive for a cross industry transaction standard – Core Components?
- Model needs to be inexpensive to let the 4 person corporation to exist
- It's round the corner?

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**Making it happen**

# Questions?

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