

# Procure-to-Pay Process Lifts Financial Performance

## BP Australia - Process Review

### Process Review

**For most companies, 80% of the accounts payable process accounts for just one fifth of expenditure.**

**Finding efficient ways to manage a “tail” of suppliers can provide real benefits through working with preferred suppliers, improving governance and increasing cost savings.**

**Lift performance in your business by building a robust “procure-to-pay” process.**

### Case Study – BP Australia

#### The Challenge

BP Australia’s procurement team has an enviable reputation for identifying inefficiencies and implementing solutions. The team has consistently enhanced its credibility, helping to ensure better business outcomes.

BP Australia wanted to ensure its internal customers used an identified group of preferred suppliers to give Procurement a better view of expenditure.

“Knowing where the money goes” meant finding ways to increase process compliance, reduce leakage and improve governance among the many stakeholders within BP who are empowered to make purchasing decisions.

#### Our Approach

With experience gained from working with clients in diverse industries such as banking, services, manufacturing and resources - together with knowledge of finance and IT systems - The Faculty undertook a procurement process redesign for BP.

This began with an assessment of the existing “procure-to-pay” process. This process was revised to enable more effective management by a new, centralised transactional procurement team.

The Faculty worked with BP Australia to redesign the process, including:

- ▶ Analysis of expenditure data
- ▶ Identification of procure-to-pay value drivers
- ▶ Development of a robust business case for implementing a new process
- ▶ A procure-to-pay implementation strategy
- ▶ Communication materials to help drive the rollout of a new process

#### The Results

The review enabled BP Australia to strengthen compliance and develop a more rigorous procure-to-pay process:

- ▶ The new process met BP Australia’s need for a clear distinction between preferred and non-preferred suppliers
- ▶ Introduced a new central transactional procurement team
- ▶ Developed a robust business case outlining the resources and IT upgrades required to support implementing the new process

**“There was complexity, non-compliance, lack of visibility on preferred and non-preferred suppliers and what amounted to a sizeable spend that was not being truly managed or tracked. This project enabled us to finally address a whole range of issues and lift our performance.”**

*Richard Allen, Regional Procurement Manager  
Australasia, BP Australia*