



Decreasing Cost Pressure within Procurement

Company Profile

Client: A leading oil and gas field equipment manufacturer with more than 2,000 employees working in 23 countries around the world.

Business Challenge

The client was experiencing high operational costs and had difficulty managing growth while experiencing cost pressure in terms of materials and equipment. The client needed to reduce logistics and freight cost, cure the requisition to PO backlog, and fix the fabrication issues that were due to high shop loading.

Corbus was challenged to efficiently manage procurement of fasteners, oil seals and gaskets, small fabrication and m/c components, casting and gear box assemblies, OEM/source controlled buys, electrical cables and harnesses, hoses and pipe fitting valves, and motors.

How Corbus Helped

- Managed a USD 160 Million spend for more than 30,000 active parts through 220 suppliers
- Centralized the aftermarket spares management desk and supported both order to cash and source to pay
- Supported the sales order entry and allocation of parts in stock in the system
- Built best practices into the supply chain
- Allowed access to Corbus' existing suppliers including those in low cost countries

Results

- ✓ Reduced the number of requirements to POs bringing it to steady levels
- ✓ Achieved zero defect transaction management (e.g., PO, Requisition-to-Check process)
- ✓ Achieved operational cost savings of 40% and product cost deflation of 6-10%
- ✓ Reduced sales order to invoice process time by 20%