

Optimizing remote site services helped a \$50 Bn energy company's field logistics team cut costs and reduce carbon emissions



Overhauling inefficient and inaccurate systems and implemented a set of procedures delivered award-winning results

The results

As a direct result of Maine Pointe's multi-faceted solution, the energy company was able to make substantial, sustainable savings across all three divisions.

Aviation – Winner of a President's Award:

- **Saved 20% (annualized)**
- **Improved fuel efficiency by 8%**
- **Reduced carbon emission equivalent to 2,173 vehicles taken off the road**
- **ROI of 7:1**

Ground Transportation:

- **Reduced costs by \$6.4m**
- **Forecast savings over the next 12 months \$20.8m (ROI 14:1)**
- **Reduced fuel usage by 43% (seasonally adjusted)**

Lodging – Winner of a President's Award:

- **Saved \$11m immediately**
- **Forecast savings of \$8.4m through asset reduction, optimization and reservation approach**
- **Improved contractual arrangements with vendors forecast to deliver \$5.2m in savings**

This story is for executives who:

1. Are concerned about the rising costs of their remote site services
2. Want to establish effective monitoring of costs and service levels
3. Want detailed, accurate cost-of-ownership models for every aspect of their field logistics

The challenge

This company, one of Canada's largest integrated energy companies, initially engaged Maine Pointe to help curb escalating third-party contractor costs in their ground transportation services. Following the success of this engagement, management again turned to us. This time we were asked to help the aviation division reduce costs and increase utilization of the company's own fleet of aircraft and deliver a more efficient operating model for their lodgings operation.

Understanding and managing costs

Maine Pointe identified common concerns across all three divisions: chiefly that our client lacked sufficiently robust processes to accurately monitor and review their levels of service and costs. Despite being a high-maturity company with multiple reporting mechanisms in place, many of the dashboards they were reliant on were not delivering accurate and relevant information. The aviation division had not developed the capabilities it needed to operate as a small airline, while lodging had no accurate way to see real-time utilization at lodge level. In ground transportation, a lack of understanding of cost of ownership had led to the energy company agreeing a highly unfavorable contract with its transport provider.

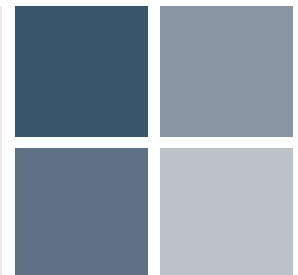


Maine Pointe deployed a multi-faceted solution which delivered better control, greater accuracy and increased visibility across each division including:

- Developing operational dashboards with key metrics and meaningful, accurate scorecards for senior leadership
- Designing and implementing new management operating systems to better manage service and costs
- Enabling our client to develop clear-cut strategies for utilization of owned resources
- Eliminating issues with third-party contractors through a joint resolution process
- Building a master scheduling tool for the optimization of routes, schedules and vehicles
- Creating a state of the art operations control center (OCC) for continuous monitoring and management of all aviation-related processes
- Developing a capacity optimization tool to model the most cost optimal strategy for assigning personnel to lodges
- Identifying waste and improving fuel efficiency across all three divisions

Lessons learned for other executives

- You can introduce optionality in a perceived captive contractual situation
- It is possible to curtail rising 3rd party costs
- Accurate cost-of-ownership modeling is a powerful tool in negotiations with 3rd party providers
- High maturity businesses with multiple reporting systems may be depending on incorrect data
- Optimization of remote site services brings additional benefits in the form of carbon emissions reductions



Want to know the true costs of your remote site services?

Want to find out more about how Maine Pointe's expertise in operational management data analytics and strategic procurement can have an immediate impact on your bottom line?

Talk it through in a no obligation phone call or meeting with one of our advisors.

Email: info@mainepointe.com to arrange a call.

About Maine Pointe

Maine Pointe, a member of the [SGS Group](#), is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash, growth and resilience across their procurement, logistics, operations and data analytics. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the plan-buy-make-move-fulfill digital supply chain to deliver the greatest ethical value to stakeholders at the lowest cost and risk to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. www.mainepointe.com