

BHP Billiton is The World's Largest Diversified Resources Company. They are distinguished from other resource companies by the combination of the quality of their assets; their deep inventory of growth projects; their customer-focused marketing; their diversification across countries, commodities, and markets; and their petroleum business. BHP has approximately 41,000 employees working in over 100 operations in 25 countries. Reflecting their aim to be a premier global company, they occupy significant positions in major commodity businesses, including aluminum, energy coal and metallurgical coal, copper, manganese, iron ore, uranium, nickel, silver, and titanium minerals, and have substantial interests in oil, gas, liquefied natural gas, and diamonds.

CHALLENGES

- Purchasing decisions and engineering parts movement were not accurately recorded in SAP.
- Lead times between plants to suit preferred source of supply confused the overall lead times.
- Inventory accuracy was questionable and incorrect.
- Free text purchases were greater than material part number purchases.
- A repairable process was riddled with manual checks and controls making an audit trail impossible.
- Unable to implement effective purchasing sourcing and automation.
- Found it difficult to get engineering maintenance to function within the system.

SOLUTIONS

- Education on specific subject areas along the supply chain, with a focus on information maturity within the system.
- One on one sessions with management and executives.
- Setting data groups and priorities within the supply chain, and targeting the low hanging fruit.
- Established a fishbone of all activities requiring attention to get optimized integration working.
- Established PAT's (process aligned teams) to meet every morning and deal with exception messages along the supply chain.
- Assistance in setting KPIs and aligning with strategic business performance measures.

BENEFITS

- Across five global sites (USA, Trinidad, Pakistan, UK-North Wales, and Australia) a cost avoidance of \$4M was achieved.
- Cost avoidance is when a part that is proposed by the MRP need not be purchased. The strategy is corrected for future replenishment.
- 99% on time and accurate transaction within the system, with a manager watching the exceptions.
- A 25% accuracy improvement in inventory which increased consumer confidence in the system, and reduced work around and free text purchase
- A 50% reduction in free text purchase
- A revised repairable process with the ability to track and prompt next steps from within the SAP system.
- The ability to set one standard for measurements for all global sites in the global management dashboard

