



# **Driving Business Value Through a Supplier Ecosystem – CIO's Perspective**

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# About BP



We find oil and natural gas extract it from hard to reach places



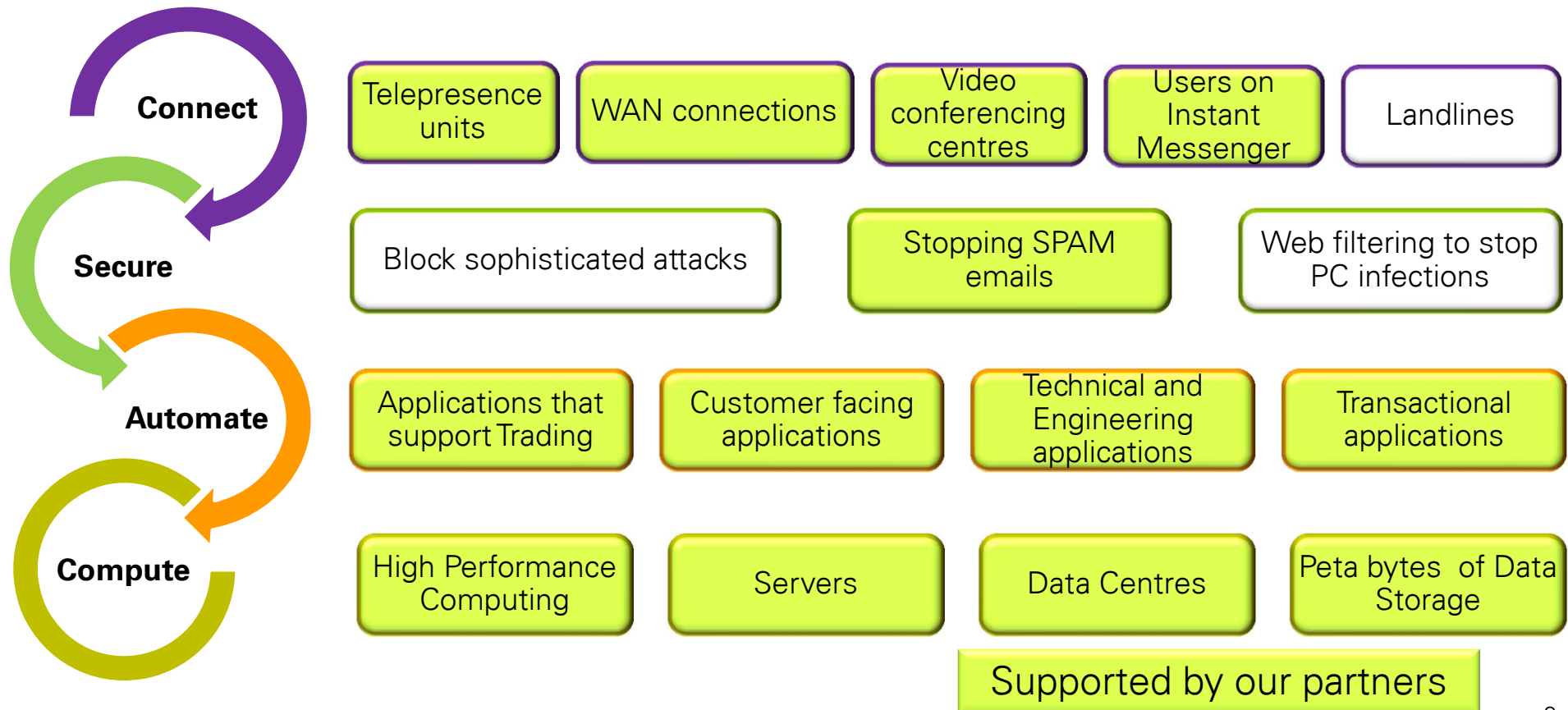
We move oil and gas across land and sea and trade it



We manufacture fuels and products and market them to customers worldwide



# IT Function Scope and Scale



# Scale and degree of the sourcing transformation within BP IT



**Our Drivers in 2008:** Simple, Reliable, Lower Costs, Professional

## **Strategic Sourcing Response**

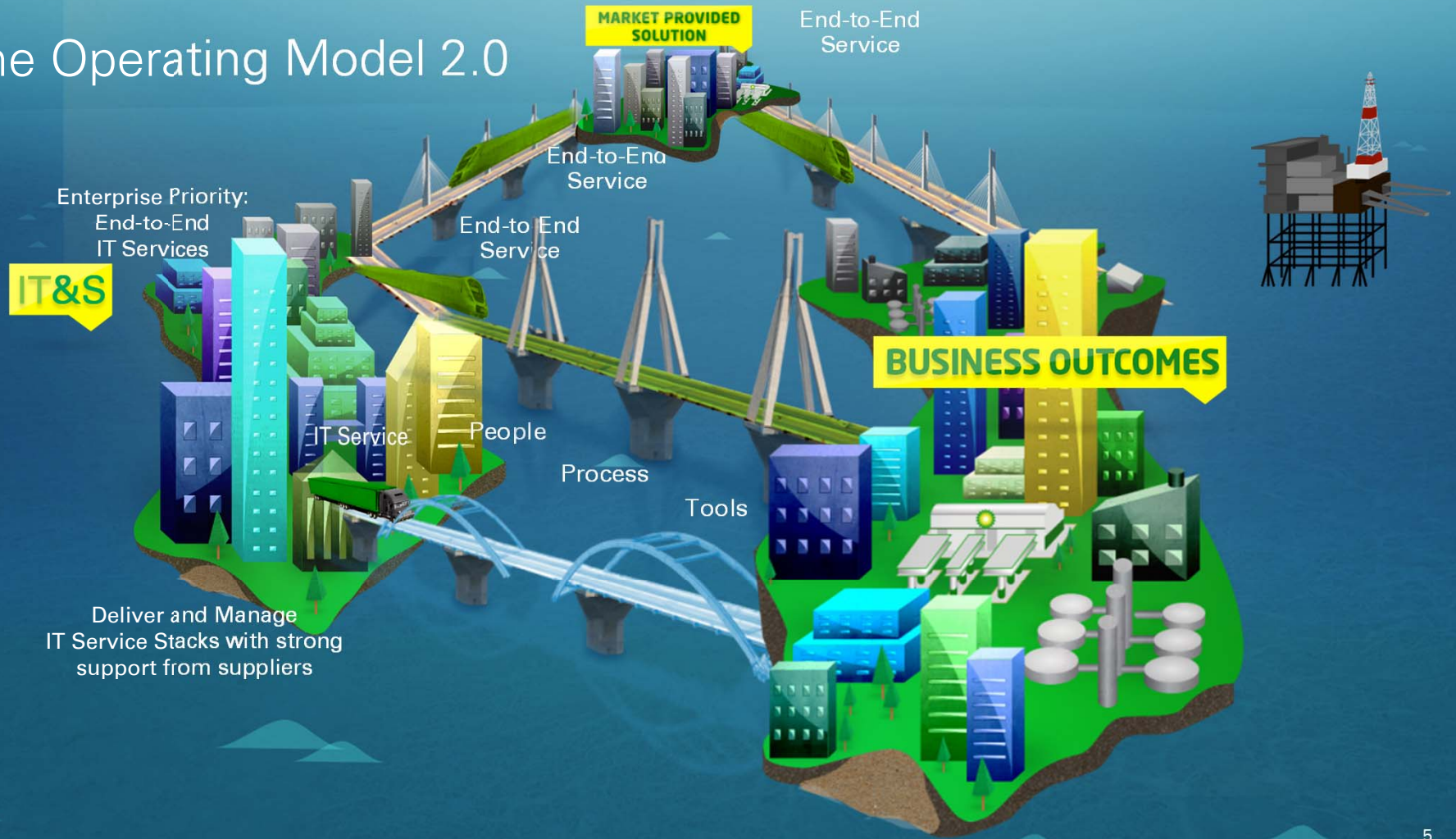
- Consolidate to leverage scale to achieve best unit prices
- Deeper relationships with fewer suppliers

## **Achievements delivered through BP's IT Operating Model 1.0**

- Delivered cost effectiveness
- Reduced total no. of suppliers by over 1000 in the last 5 years (2500 to 1500)

**Our Business Drivers have changed, this is no longer enough ...  
we need a new IT Operating Model with our suppliers**

# The Operating Model 2.0





# BP's IT Strategic Supplier Ecosystem Captains' Table



- An eco-system under a common operating model
- An executive board of CEO/CIO's to set the tone
- Momentum through supporting execution groups
- BP Leadership commitment to engage vendors at all levels



# How to create a supplier ecosystem ?



- ✓ Implement a standard operating model
- ✓ Develop sophisticated vendor management capability
- ✓ Get the top of the house aligned – “Captains’ Table”
- ✓ Create a compelling story about why it is good for the suppliers
- ✓ Create working level groups and give them air-cover
- ✓ Identify a common deliverable to which all can contribute
- ✓ Decide on a methodology – for us it is continuous improvement
- ✓ Leadership perseverance is essential
- ✓ Inclusive behaviour at all levels will make or break success



# Questions

