

Puridiom: For Boart Longyear, It's All about Visibility

Like the boarts or imperfectly crystallized diamonds the company was named for, Boart Longyear is shining with savings realized from their Puridiom Procure-to-Pay implementation.

Boart Longyear, a 120-year-old global organization headquartered in Salt Lake City, Utah with offices and operations in Asia Pacific, North and South America, Europe and Africa, is the largest provider of drilling services and drilling products for the global mining industry. With sales of over \$1.8 billion (2008), the company has nearly 7000 employees worldwide and conducts operations in more than 40 countries, and generates revenues from customers located in over 100 countries.

Client Profile: Boart Longyear

Largest provider of drilling services and drilling products for the global mining industry, with a substantial presence in drilling for other purposes, including water exploration, environmental and oil sands exploration.

Business Challenge:

To find and choose an e-procurement solution that would provide spend visibility, control, and the ability to enforce compliance.

The Solution:

- Puridiom 3.1 On-Demand Solution
- Language compatibility in English, Spanish, Chinese, Russian, Polish, German, and French

Results:

Consolidated global purchasing practice and policy put into place

ROI: (achieved in less than 12 months after implementation and roll-out)

- \$3 million in immediate savings
- Continued 1 – 2 % incremental savings
- 82% compliance in control of applicable spend
- Better leverage when negotiating global contracts

Future Outlook:

- Integration with other critical Boart applications
- Implementation of EIPP initiative
- Enforcement of contract pricing on a global basis



The Challenges

Prior to 2005, Boart Longyear was managing most of its purchasing and spend at a local level. With over 100 international offices interacting on a daily basis, each was utilizing their own local controls, but management had no easy way to see the spend breakdown overall. In short, there was no spend visibility. After 2005, a number of restructuring initiatives were undertaken to establish Boart as a globally run business, focused on operational improvements and organic and acquisitions growth. Included in this restructuring was several sourcing initiatives, including establishing global agreements with a uniform approach to pricing, purchasing and supplier management. However, with no way to track these agreements, there were no controls in place to monitor the agreements. Lastly, Boart was unable to leverage the best pricing and improve supplier relationships when forming these agreements because of the lack of company-wide accessible supplier information. With the goal of operating as an independent, global driven company, Boart made the decision to seek out a solution that could meet its challenges and drive performance across a broad range of markets, cultures and geographies.

The Solution

In place was an MRP/ERP system, but for the challenges Boart was facing, the system was found inadequate. With offices in over 35 countries, the new system had to be intuitive and easy to use. In addition, the client required the ability to utilize local suppliers where appropriate, and a web-based system with an English-local language and currency capabilities was a must-have. After evaluating several high profile procurement solutions, Boart Longyear

selected Puridiom's Enterprise Procure-to-Pay On-Demand solution to manage its procurement worldwide. The Puridiom solution provided Boart with online requisitioning, catalog management, approval workflow routing and purchase order management, as well as supplier enablement capabilities, with an easy-to-use and straightforward interface for the user. An adaptable design allowed Puridiom to be easily configured for Boart's specific needs, without adding software-programming customizations. According to the Director of Global Sourcing, "Puridiom's table-driven structure and approvals workflow were easy to use and faster to change than the other systems. The multi-language/currency capabilities, and the fact that they met all of our required criteria made Puridiom our choice."

Implementation

The scope of the implementation project included not only the physical implementation of the software and training throughout 100+ international offices, but also the development of new formal procurement processes and procedures which needed to take cultural differences into account.

As Boart realized the significance of the cultural change the new system was making throughout the organization, the decision was made to invest in dedicated 24-hour Puridiom support through the rollout phase and, local management was heavily engaged in the process prior to their regional implementation. As a result, implementation was delayed an initial six months, but resulted in better user-acceptance of the system.

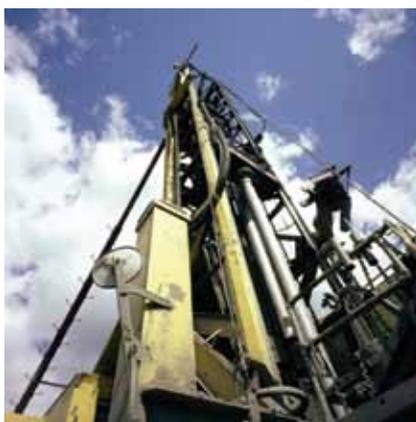
Puridiom's support included on-site and webinar training, as well as training of internal Boart staff to build their knowledge base of the Puridiom system. An example of this support was the training of Boart's regional office in China. Puridiom was able to support this effort by providing one of its own support technicians to train in Mandarin, overcoming the language barrier.

Currently Boart Longyear is using Puridiom in 35 countries in seven languages capturing 82% of their applicable spend, as they enter the optimization phase of their implementation. This includes contract compliance, supplier consolidation, and additional sourcing initiatives.

Results

Since implementing Puridiom, Boart Longyear now has a consolidated global purchasing practice and policy in place. The challenges they defined have been successfully met and management now has the necessary global spend visibility and controls in place. Before Puridiom, only 25% of the spend was visible on purchase orders. Now there is 82% compliance in control of spend for applicable purchase activities.

In the first 12 months, \$3 million was gained in immediate savings from cancellations and avoidance of maverick spending. Management anticipates an on-going global savings of 1 to 2% above current Sourcing strategies and initiatives. That adds up to several millions in additional savings year-after-year. This substantial savings is being generated through contract compliance, controls, and sourcing. "If you can see it, you can manage it, if you can manage it, you can control it," is the management mantra. Puridiom has given Boart Longyear the tools to manage their spend and make them shine in the mining and drilling industry.



"Puridiom is hugely important to our success. It is our control tool to enforce contract compliance."

– Director of Global Sourcing

Future Outlook

Puridiom continues to work with Boart Longyear to improve processes and deliver measurable results. Puridiom is working on integration with a critical

application to reduce the management of global approval rules and is in the beginning stages of implementing Puridiom's EIPP solution to automate and streamline the processing of invoices.

About Puridiom

Puridiom is celebrating over 25 years as a leading provider of cutting edge Procure-to-Pay Spend Management solutions. Offering a wide array of complementary services, Puridiom helps organizations achieve the strategic objectives and accelerate bottom-line results and is leading the way with web-based procurement solutions, sourcing, payables, and fulfillment strategies.

