



Q8Oils Achieves 400% ROI in 18 Months With Vantage Consulting Services and SAP Profitability and Cost Management Software

As a company that understands the added value that efficient business processes provide, it isn't surprising that Q8Oils wanted to implement a best-of-breed Enterprise Performance Management (EPM) solution to handle its financial reporting and drive cost savings and profit improvement initiatives.

Hiring Vantage consultants to manage the implementation and provide consulting support helped Q8Oils to achieve an impressive 400% return on investment within the first 18 months.

Part of Kuwait Petroleum International (KPI), Q8Oils manufactures and sells high quality lubricants, base oils, waxes, bitumen and aerosol propellant. Established in Europe for over 25 years, Q8Oils is now a global brand with sales of over 700 million litres per annum and turnover of US\$1bn.

Business Challenge

Having gained some significant business benefits in the UK through its use of SAP Profitability and Cost Management (PCM) software, Q8Oils wanted to realise similar benefits in its North West European (NWE) operation. The Q8Oils team opted for a new implementation of SAP's PCM solution to be rolled out across the UK and NWE regions with consulting and implementation advice from SAP EPM specialist Vantage.

At the point of implementation Q8Oils was spending €9 million every year on distribution, a 100% variable cost that needed to be carefully monitored. The Q8Oils team wanted access to financial data that would identify profitability and activity cost at a customer level to ensure optimisation of their operations.



Project Objectives

Q8Oils wanted to use PCM to gain greater granularity in its financial reporting to support management decision making. Specifically they were focussing on activity cost and customer profitability. The new data would enable them to benchmark and then improve profitability.

Implementing and configuring the new PCM solution as quickly and smoothly as possible was key, as accessing the data is a pivotal step in optimising profitability.

Q8Oils needed its financial managers to learn how to use the new system quickly. This would ensure financial data was being collected, analysed and reported accurately and efficiently, to inform business decision making at the highest levels.

"The work completed by Vantage to support the Q8Oils organisation has rapidly delivered a significant 400% ROI. The quality, knowledge and experience of the consultants involved has been invaluable."

Philip Young, (A.C.M.A.)
Finance Manager, Kuwait Petroleum International Lubricants Group



Challenge

In the UK, Q8Oils had successfully used an early version of SAP Profitability and Cost Management (PCM) to provide a better understanding of customer, market segment and sales manager profitability. A decision was taken to apply a similar level of rigour to their North West Europe (NWE) organisations, and gain further insight into the wider business.

Solution

Q8Oils decided the best option would be a new implementation of SAP PCM for both the UK and NWE regions. They turned to experts Vantage to support the implementation and provide training.

Benefits

- 400% ROI achieved in first 18 months of implementation
- Dramatic improvement in invoice approval process resulting in 4000% time saving
- Increased granularity of financial reporting supporting management decision making



Vantage's Solution

Q8Oils turned to Vantage to provide much needed product training and implementation support.

Vantage was chosen because of its unrivalled SAP EPM experience and deep PCM product knowledge.

Vantage consultants worked with the Q8Oils team to configure the solution in line with their business objectives. The PCM solution now provides detailed financial information including activity cost and customer profitability.

Why Vantage?

Valued for their knowledge and flexibility

Vantage was chosen as the supplier who could offer Q8Oils the best value

Vantage is recognised as a leader in SAP EPM implementations with proven expertise and deep product knowledge

Vantage consultants were able to rapidly transfer the required product knowledge to deliver business benefits and ROI quickly

Fully SAP-Certified implementation partner – reducing risk for Q8Oils

"We selected Vantage because of its deep expertise with the SAP BusinessObjects product set. The Vantage team responds quickly and has delivered what we asked them to deliver, on time and within budget"

Philip Young, (A.C.M.A.)
Finance Manager, Kuwait Petroleum International Lubricants Group

Results

In the first 18 months alone, the PCM implementation has delivered in excess of €2 million savings for Q8Oils; this equates to a return on investment of 400%. These savings have been realised through:

- Identification of non-profitable customers
- Accurate monthly accounts
- Deeper understanding of costs across the business
- Better pricing
- Proactive profitability management
- A restructure of distribution (resulting in a saving of €1 million)
- Changes to the sales commission structure to incentivise more profitable deals
- Streamlining of financial processes, invoicing that used to take five days now takes just one hour

Vantage's expertise in configuring the software and rapidly transferring the required knowledge to Q8Oils helped to speed up the implementation and led to increased return on investment.

The information now available to Q8Oils has allowed the organisation to see that their sales commission plan was driving the salesforce to do unprofitable deals. As a direct result of implementing PCM with Vantage, they have been able to change the sales commission structure such that it drives the salesforce to do profitable business.

The PCM based solution will continue to help Q8Oils drive cost savings, increase profitability and make better business decisions based on a sound financial understanding. Vantage's involvement has allowed Q8Oils to leverage the benefits of PCM more quickly and effectively than would otherwise have been the case.

For more information please contact us at info@vantage-ps.com or call us on +44 (0) 20 7849 3120



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Vantage was founded by former SAP BusinessObjects Consulting Services team members in order to provide software users with access to the very best consultants with an independent perspective.

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