



A Search for New Horizons



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SHELLSOURCE

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ENVIRONMENT, ENERGY & AGRICULTURE

CONSOLIDATING THREE SEPARATE CUSTOMER PORTALS INTO ONE, ALLOWED CONSUMERS, CUSTOMERS AND CHANNEL PARTNERS TO CONDUCT BUSINESS WITH MULTIPLE DIVISIONS AND COMPANIES, WHILE REDUCING IT SUPPORT COSTS BY 15%. THE NEW PORTAL PROVIDES 24/7 CONVENIENCES AND A ROBUST SUITE OF PRODUCT OFFERS AND ORDERING CAPABILITIES, ENHANCING SALES, IMPROVING SERVICE, AND SETTING A NEW STANDARD OF EXCELLENCE FOR THE INDUSTRY. [20034805]

SUMMARY

The project consolidated three separate Customer Portals into one, making it easier for consumers, customers and channel partners to conduct business with Shell Oil Products US (Shell) and Motiva Enterprises LLC (Motiva), and reduce IT support costs by 15%. As a sales channel, the portal provides 24/7 conveniences and a robust suite of product offers and ordering capabilities. As a customer self-service channel, the portal is an integral part of a consolidated contact center strategy, further reducing costs to serve. When the portal was launched, it represented a significant leap forward in automation of supply chain processes, and reduced costs for both the supplier and the customer. It has since been imitated by other suppliers in the fuels industry, and is still considered a "benchmark" portal by which other suppliers are judged.

APPLICATION

Shell Oil Products US and Motiva Background -

Shell Oil Products US refines and markets petroleum in the Western and Midwestern U.S., and provides petroleum transportation and lubricants products nationwide. It is the ninth largest refiner in the U.S., the number 2 marketer of lubricants and coolants in the U.S., and the fifth largest gasoline retailer in the U.S. It is also the world's largest supplier of JP5 military jet fuel.

Motiva Enterprises LLC refines and markets petroleum in the Eastern and Gulf Coast U.S. It is the seventh largest refiner in the U.S., and the fourth largest gasoline retailer in the U.S.

Shell Source: One Stop for Fuels and Lubricants -

Initially, a decentralized collection of separate business lines each invested in a separate web portal for its customers and channel partners, each supported by its own IT operations, applications, infrastructure, and help desk staff. While this supported the need to quickly address changes in the marketplace and respond to customer and channel requirements, it led to increased development, support and infrastructure costs.

Additionally, some customers and channel partners did business across product lines, and were faced with separate portals, with separate rules and security requirements.

To address this situation, a new governance structure for the customer portals was proposed, which would reduce costs and present "one face to the customer". A federation among the marketing businesses, Retail, Commercial, and Lubricants, was forged. These businesses established a governing group of representatives to manage the consolidation of these emerging Customer Portals.

A team of business representatives and IT professionals created a single customer portal, with consolidated features based on the existing sites. The portal was improved and expanded to support each business in a series of releases. The scope of the customer portal included all US fuels and lubricants customers and products. When it was introduced, it represented a significant leap forward in automating the fuels and lubricants fulfillment process and reducing costs in the US fuels supply chain for both the supplier and the customer.

In the end, the US customer portal provides "one stop" electronic interaction for all commercial, wholesale, and retail fuels customers, and supports all distributors of Lubricants products. It has already saved over \$5 million per year in printing and mailing costs, and is responsible for over 25% of total fuel volume sold by the commercial fuels businesses. Additionally, the cost of the consolidated portal is over 15% less than the cost of supporting the previous versions.

BENEFITS

Shell Source is designed for convenience and low cost. It is intended to make the experience of doing business with Shell and Motiva easier and more cost effective, for all parties. According to customer survey feedback, it has made doing business easier, and is noted as one of the most positive aspects of the relationship between Shell and Motiva and its customers.

One of the key challenges in the industry was moving to automation. Some business processes fundamentally changed, mostly due to self-service and automation. Roles and responsibilities changed, and some tasks previously performed by humans were now done by an automated set of rules. This caused change management challenges, both internally and externally, but has resulted in competitive advantages for Shell and Motiva and its customers, in reduced time spent and in reduced costs of selling and delivering fuels and lubricants in the US. Key areas of change and improvement were:

Improved Customer experience in dealing with Shell and Motiva -

Customers now have access to one stop shopping for all fuel and lubricants products and services in the US. The portal provides easy access to all information related to the products and services offered. Portal personalization features provide the ability to customize what each individual customer wants to see, making it easier to do business.

Customer service costs went down -

Shell Source is integrated with the customer contact center, and reduces the number of contact center calls by providing information for frequent issues and customer self-service capabilities online. Use of the portal for customer service functions caused business process standardization, which in turn improved information accuracy, reduced invoice errors, and improved customer satisfaction.

Sales costs and customer order processing costs went down -

Shell Source is a sales and order management channel, providing customers and channel partners with 24/7 access to prices and automated ordering capability. For example, the commercial fuels group sold over 1 billion gallons of fuel through the customer portal in the first two years, and continues to sell a significant portion of their total volume through this portal. Customers can obtain current prices, order online for multiple locations and products, track their orders online, and obtain their invoices online. For some channels and products, volumes increased due to improved just-in-time competitive price publication.

Online, downloadable content saved mailing and faxing costs -

Printing, billing and mailing operating procedures out to channel partners is costly and time consuming, with many getting returned or lost. With Shell Source, these procedures are always available and can be printed or downloaded on demand. No more printing and mailing!

Providing key reference information to customers, channel partners, and field sales representatives became easier and less costly. The electronic documents are available 24/7, with both a "push" and "pull" model to ensure that receipt occurs. Additionally, customers find it more convenient to use the portal for reference materials than phone, fax or mail.

A consolidated customer portal reduced IT support costs -

As part of the introduction of Shell Source, the IT support organization was consolidated and duplicate positions were reduced. The move to a single technology platform reduced IT training and recruitment costs. The consolidated IT support organization allowed better optimization of IT resources between development and support activities.

IMPORTANCE

Information technology was particularly important to this project; without the technology, many of the business processes involved could not have been changed to reduce costs, time and improve customer satisfaction.

The use of Shell Source fundamentally altered the way in which Shell and Motiva communicate with their customers, and how information gets processed. For example, customers in some channels can manage their own account and billing information online, and a set of rules handles the verification process. A setup or change process that used to take a minimum of two weeks now can take as little as 8 hours. The other benefit is that the portal is working 24/7/365, which frees the business process from the typical hours of operation and time zone issues that exist in manual versions.

Some customers who did not do a lot of business with Shell and Motiva have increased their activity solely due to the existence of Shell Source.

Integration was the most important aspect of this project. Many features on the portal required a significant amount of integration between the portal, the ERP system, and the distribution systems involved in ordering, fulfillment, billing, and collection. Solving the integration challenges was a major part of the project, and multiple methods were used to match the frequency, volume, and validity requirements of each type of transaction.

ORIGINALITY

Shell Source was the first of its kind in the industry -

Shell Source was the first in the industry to offer integrated, automated customer account set up and management, and online real time transaction processing for prices, offers, and orders. Based on feedback from customers and channel partners, it has been imitated by competitors, which is one of the best indications of its originality in this industry.

Shell Source was built on the success of previous customer portals -

Shell Source evolved by leveraging the features of three legacy portals, and merging them into a single customer portal. At the same time, options that were too costly for each individual business to justify became more affordable when built for all. The ability to push information to the customers and channel partners is one such option.

Shell Source was built on a simple idea – “One Face to the Customer” -

Shell Source uses common features to serve multiple customers across multiple product lines. Examples of common features are:

1. Single sign on - only one ID and password needed
2. Role-based security to address internal controls issues experienced by the customer as well as Shell and Motiva.
3. Dynamic on-demand content management
4. Front office transaction processing - list prices, special offers, order entry and tracking
5. Ability to capture and analyze customer behavior for common patterns
6. Stream lined back office processes - customer account set up and maintenance, invoices, bills of lading
7. A single IT methodology, development and infrastructure, with reusable components to reduce future costs

SUCCESS

Shell Source is fully operational, and evolves even today in response to business conditions and customer input. It has been a very successful project due to its integration with existing sales and customer service processes. As a customer service component, it saves a significant number of contacts that otherwise would have to be handled in the customer contact center manually, which has exceeded initial expectations. As a sales component, the commercial fuels businesses have benefited significantly, with 25% of their total volume being sold over the portal.

To put the success of Shell Source into perspective, consider what it would take to replicate the customer interactions through another means. In the one of the smaller businesses, there are approximately 1500 customer employees who use the portal each day. To replicate the daily contact with these customers, it would take almost 90 additional people in the sales and customer service departments.

In the future, a global customer portal is planned to replace Shell Source, with the same concepts and features. Shell Source has done a great job of paving the way for the new global portal, by demonstrating the value to the customer and ultimately, the Shell brand.

DIFFICULTY

Since the project was the first of its kind inside Shell and Motiva, and it created changes to the US industry, it had several significant challenges along the way:

- Creating standardized processes from decentralized individual departments

One of the first challenges was standardizing business processes. Each business operating unit, and even each department, had different business processes, and varying appetites for automation and standardization. Identifying critical stakeholders and issues was important, trying to address the most impactful processes first, and in some cases, leaving the non-standard processes in place for the moment.

- Disparate IT systems that cannot talk to each other

Even though a significant amount of effort had already been spent to consolidate IT systems, integration was still a significant challenge. Some of the systems involved had never been fully integrated before, so there were many surprises along the way. Shell Source served as the integration point for many of these systems.

- Back office applications were very complex

With multiple business operations involved, the order to cash process was complex, with multiple paths.

Addressing these variations took extra time and extra testing to ensure success; some integration issues became visible and had to be addressed in operation.

- Overcoming traditional ways of doing IT development and support

Like most companies, the IT department had evolved through a "functional" model, with specialists in each application and infrastructure area. With the existence of Shell Source, the main applications were now integrated, forming an "integrated application environment". The IT development and support organization had to be re-equipped with new processes, roles and responsibilities, and requirements to address the new integrated, automated business processes.

- Shared governance between multiple business operating units

No single business-operating unit had the authority or budget to create Shell Source, so the main units had to form a "coalition" to fund and manage the portal. IT served as a facilitator and service provider, but the business sponsors had to evaluate and prioritize new features, obtain sufficient budget for ongoing operations and improvement projects, and manage the change internally and in the market.

- Internal resistance to the new technology and capabilities

One of the unanticipated challenges was the level of resistance by internal groups to the new technology and new processes. Many believed that Shell Source could not successfully accomplish the automated tasks. Campaigns to address these concerns had to be undertaken, and each time a new change was considered, new resistance was expected. Change management and stakeholder management were critical success factors