



**Industry:** Oil and Gas

**Geographies:** Australia

### Challenges

- Limited Spend Visibility
- Disparate Spend Systems
- Poor Usability
- Ineffective Spend Controls

### Solutions

- Strategic Sourcing
- Contract Management
- Inventory Management
- Procure-to-Pay

### Results

- Exceeded M&A Synergy Targets by 150%
- Delivered Full Spend Visibility to Site Level
- Improved Control Over Spend and Inventory
- Drove 68% of Spend On-Contract
- Digitized 85% of Spend

## Beach Energy Exceeds Acquisition Synergy Targets by 150%

Australia's leading mid-cap oil and gas exploration and production company, Beach Energy, made two major mergers and acquisitions in one year, tripling its size. Beach set aggressive acquisition synergy targets that could only be met by streamlining operational processes and centralizing visibility and control over spend across both headquarters and production sites. The company digitized its procure-to-pay (P2P) and contract lifecycle management (CLM) processes with Coupa, centralizing on a single platform to gain efficiency and control that ultimately helped Beach exceed its acquisition synergy targets by 150%.

### Massive Changes Forced a Centralized Approach

Beach faced a series of changes, starting with the merger with Drillsearch in 2016, then the acquisition of Lattice Energy in 2017, which tripled the company size with ten major sites across Australia and New Zealand. As the company was gaining momentum in the complex integration, the global COVID-19 pandemic hit, amplifying the need to refine spend controls as oil prices dropped. The pandemic also caused issues with some suppliers who were critical to keeping operations running. Beach's investments in a robust supply chain and centralized procurement processes allowed the company to get the spare parts that were needed to keep production going during this difficult time.

### Disparate Systems with Insufficient Controls

Following the acquisitions that started in 2016, Beach's procurement team faced challenges in getting the visibility and control over spend they needed to achieve synergy goals and maximize value to the business. The systems landscape was complex, with duplicate systems for everything from parts requests to inventory management. This complexity created several challenges:

- **Disparate, Hard to Use Systems:** Field users had to navigate complex systems for even the most basic tasks. Each production site had different processes and systems that were difficult to use, making change management challenging.
- **Waste from Ineffective Processes:** The existing P2P and inventory systems lacked effective controls, which led to unnecessary spending and waste. Field workers might buy items that were already in inventory or buy off-contract.
- **Lack of Visibility:** Managers couldn't see all of their site-level spend in a single place, making it impossible to deliver on site-level financial goals or drive accountability.

## Chief Procurement Officer Sets New Vision

Chief Procurement Officer (CPO) Hendrik Snyman realized that Beach needed a single spend management platform that was extremely easy to use in order to drive responsibility for business outcomes to the local sites. Beach deployed Coupa's Business Spend Management (BSM) platform in just three months with the ability to register vendors, process purchase requests and approvals, ordering, and payments. In addition, Beach turned on CLM in the BSM platform to ensure spend was on-contract and to automatically match invoices against contracts.

## Consistent Company-Wide Process with Effective Controls

Beach now has a single spend management process and platform across the entire company. With approximately \$800M in annual spend and more than 1,000 contracts, 68% of total spend is now under contract. Beach has realized a number of improvements:

- **Improved Visibility that Drives Accountability:** Managers can see their aggregate spend at a site level across all categories, improving site-level accountability. Teams are no longer surprised by contract expirations and can proactively renegotiate or extend a contract before expiration.
- **Effective Spend Controls:** Both internal and external auditors have found the spend controls in place to be very effective. Workers have one source of truth to quickly find and get the item they need from inventory across four warehouses. Controls are in place to ensure spend is under contract and under Purchase Order (PO) with the appropriate approvals before orders are placed.
- **Met and Exceeded Synergy Targets:** Beach exceeded its synergy targets by 150% by driving spend to the best contracts and eliminating unnecessary spend. 85% of invoices are coming through the platform digitally, removing low-value, manual invoice capture to allow Accounts Payable focus on more value-added activities.

## Advancing BSM Maturity

Beach is continuing to improve adoption of the BSM platform and continuing to enhance spend visibility across the company. Ultimately, the CPO's vision is that any field worker should be able to pick up a part and understand exactly what it costs to replace or refurbish the part, allowing workers to make the most cost-effective solution right in the field.



“Having visibility across our expenditure at a group level and a site level will help us optimize our efficiency and add value into the business, not just take out cost.”

— **Hendrik Snyman,**  
CPO, Beach Energy

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