BIG DATA IS THE NEW OIL

NESTE

100 %
TRANSPARENCY

11,7 BN
TURNOVER

>5.000
EMPLOYEES

HOW THE FINNISH OIL AND GAS COMPANY NESTE DRIVES PROCESS EFFICIENCY AND EXCELLENCE WITH PROCESS MINING
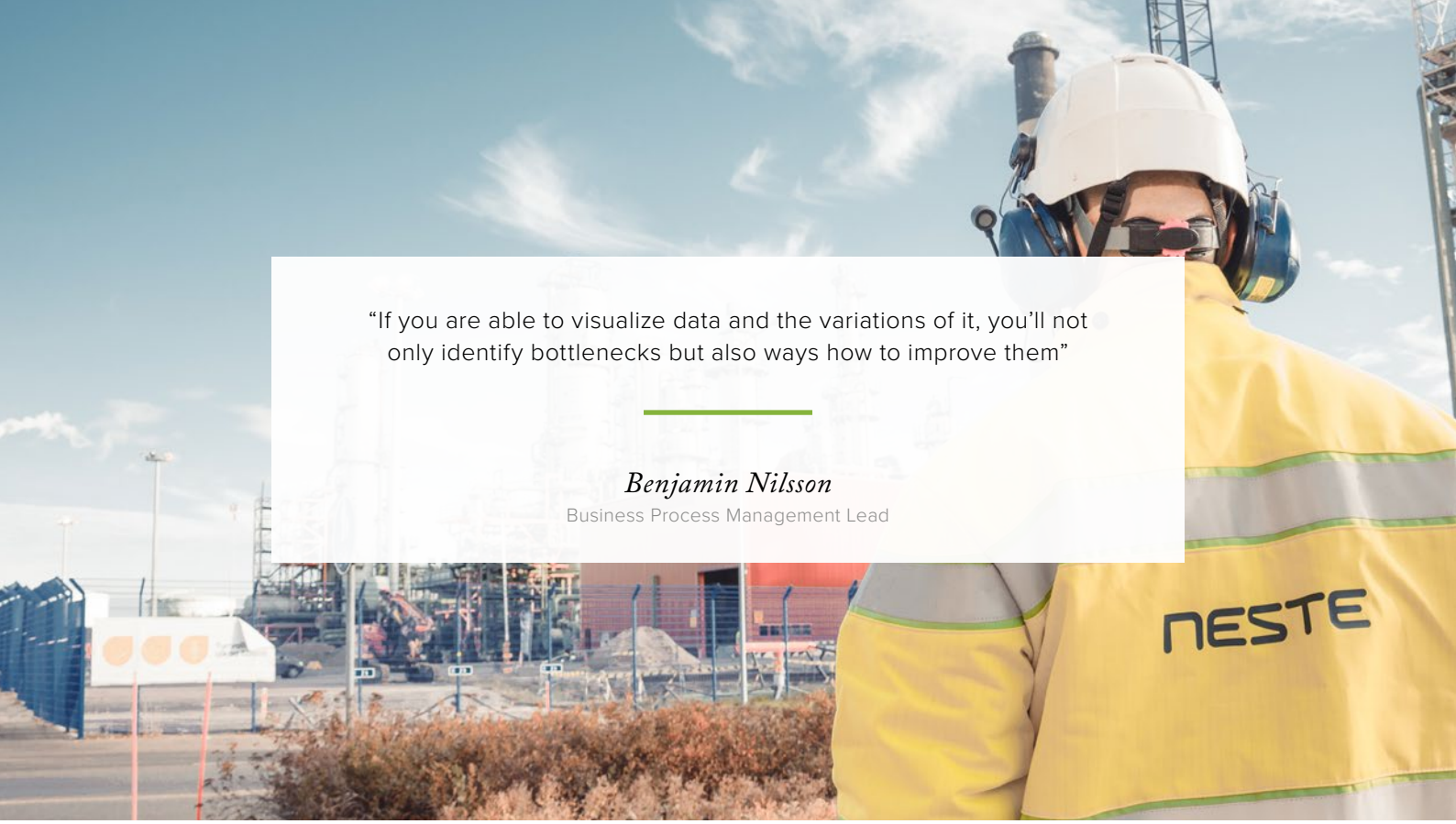
The concept *business as usual* has had its day at Neste. It was in late 2014 when the Finnish oil company decided to no longer accept the status quo of operations and, instead, make the best out of their internal processes. The aim was to continuously improve the business process management capabilities and achieve a higher business process maturity. This decision was closely linked to a cultural and technological change – a change that could only be realized with the use of innovative big data technologies such as Celonis Process Mining.

MATURE PROCESSES – SATISFIED CUSTOMERS

Neste is an innovative oil and gas company headquartered in Finland and rewarded for its sustainability efforts. With more than 5.000 employees, various business units with different areas, systems, limitations and supply chain issues, it is hard to keep track of the own business processes. While the procurement process in the company itself is fairly simple with only five refineries, Neste's supplier network is highly complex – as additional feedstock is collected from very different sources. **Especially logistics processes have to be handled and mastered, which is impossible without visualizing and analysing the transactional data**. The fact that the world leader in renewable diesel, already generating half of the revenue, is growing heavily, does not make things any easier.

With improved process focus, Neste aimed to overcome these challenges: The company's main objective was to enhance value for the customer, by improving customer delivery capabilities. **This required that transparency and understanding of cross-functional process chains were given, different departments coordinate and work together to improve processes and achieve operational excellence** – and that employees learn how to manage and continuously improve processes.

BUSINESS PROCESS LEADERSHIP: THE CENTRE OF EXCELLENCE

The company's journey towards a more mature business process management consisted the creation of a corporate-wide business process maturity framework. "**We wanted to make sure that business processes will become part of most of the people's daily life and not only a piece of paper in a team**", says Benjamin Nilsson, Business Process Management Lead. To achieve this goal, change management was needed that has since then been driven by the Business Process Leadership (BPL) team, a corporate-wide Centre of Excellence consisting of business process managers and business process analysts – all with an extensive know-how of the digital solutions in use, as well as the configurations and the processes and business behind.

The BPL is ensuring that process management capabilities are gradually improved over time in the different functional teams and that dedicated Process Owners located in different business organizations around the company, take care of the monitoring and improvement of the processes. The BPL has a centralized role and supports the Process Owners in the advancement of process analytics, the improvement of skills and capabilities,

and furthermore in finding the right improvement measures. "**It's all about dedicating yourself to improve actions in order to achieve process maturity**", says Markko Rajatora, Business Director Processes. "We clearly have the aim in mind that process improvements positively affect the business success of the whole company."

MARKKO RAJATORA
Business Director Processes

IMPLEMENTATION OF SAP

No process optimization is possible without analytics, and no analytics is possible without data: Before accompanying their cultural change with digital solutions for business process management, Neste has started to adapt its IT infrastructure and to provide a basis for process analytics by the implementation of a new SAP HANA landscape. "**You can't master things without having and analysing the raw data**. I see this as the biggest

potential to stay efficient", says Benjamin Nilsson. In this context, the process owner network already played a critical role in designing and re-engineering the SAP-related processes and identifying initial process KPIs and controls for the later implementation of digital BPM solutions.

ANALYTICS "ON THE FLY" WITH PROCESS MINING

In late 2016, Celonis was selected to be Neste's process mining software as it provided the best match with the SAP environment. Neste was immediately impressed not only with the features the software provides but also with its ease of implementation, its usability and its flexibility. "**Celonis is straightforward and very easy to use. After having created a process model based on the underlying data, analytics can be created almost 'on the fly'**", says Markko Rajatora. „You don't have to build new dashboards but can use existing ones – this is very intuitive and time-saving."

Celonis Process Mining uses the vast data in IT systems like SAP to track and visualize business processes, it improves transparency and fosters fact-based analytical capabilities. Based on the findings and process KPIs, users are able to identify process improvement opportunities in

real-time. „If you are able to visualize data and the variations of it, you'll not only identify bottlenecks but also ways how to improve them", says Benjamin Nilsson. „**People from different process areas of Supply Chain, who know their business unit best, can use these findings to improve internal procedures.**"

END-TO-END VISIBILITY OF
THE SUPPLY-TO-PAY PROCESS

To keep its promises towards the customers and vendors is one of Neste's key focuses. This is why Neste plans to roll out Process Mining for supply chain operations first. The actual analytics implementation started in early June 2017 and currently focuses on the core end-to-end SAP IS-Oil processes: Supply-to-Pay (S2P) and Order-to-Cash.

Within S2P, Neste focuses on supply side activities from planning and executing logistics over managing inventories, orders and accounts payable. Relevant logistics, quality management and financial activities are included. By increasing transparency, Neste pursues several goals: **Improving the delivery accuracy, shortening (invoice approval) lead times, speeding up the Cash Flow Management and securing on-time payments**.

WHAT THE FUTURE HOLDS

Besides the S2P process, quick pilots are done in parallel to promote the process mining capabilities to Neste businesses on wider terms. **Neste is, for example, testing Celonis use cases within IT Service Management.** "We are currently creating a roadmap for the further implementation

of Celonis Process Mining and already got some great results in testing the software with various processes. We see that Celonis can be used throughout our whole organisation", say Jani Niskanen and Nazia Kanwal, Business Process Analysts. **Further processes that are currently connected on the test environment and will be deployed in the upcoming months are Accounts Payable, Accounts Receivable, Master Data, Indirect Procurement and Contract Management**.

"While not yet gaining the actual business benefits out of daily operations, we are getting closer to it with a clear understanding of the new capabilities and transparency of business operations that Celonis analytics provides us with", summarises Markko Rajatora.