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## Insights

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#### Fulcrum update

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#### UK team expanding

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### Increased engagement in South Africa

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## Inventory optimisation service in development

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#### Copyright secured for 3PMRO®

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Designed to optimise spares

## Al project approved and funded

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# Project Fulcrum – Update

Project Fulcrum, Entec's highly successful 3PMRO® program, which optimises MRO procurement, supply and inventory, has been trialled across 2 production sites in Ghana for Diageo, one of the world's largest producers of spirits and beers. The project value is evident and 'progressing at pace', says Project Manager Chris Cullen.

The trial delivered 15% gross savings (against spend value), an 81% reduction in shipments (meaning carbon emissions were reduced by 1890 tons), and identified thousands of dollars' worth of future savings achievable through purchase avoidance and inventory reduction.

The project success is evident, with a collective agreement from key stakeholders at Diageo that it should be rolled out across the entire Africa region, taking in 9 countries and 13manufacturing operations.

"Project Fulcrum has created opportunities for exponential value, it will further drive efficiencies with shared stock holding and the development of regional hubs.

3PMRO® exercises our client's unleveraged economies of scale," Chris said. "We have proved to Diageo that 3PMRO® more than pays for itself and indeed we expect to increase savings, along their entire MRO spend supply chain, once established across all sites in Africa."

Beyond Africa, Project Fulcrum has now been implemented in Australia, with a broader scope encompassing APAC regional spend, while Entec's Goutham Veerakumar is currently visiting client operations in India to present the business case for 3PMRO® to the 13 sites on the sub-continent.

"These are exciting times for Entec our 3PMRO® service is recognised as delivering a step change in productivity value," Chris concludes. "Under the 3PMRO® agreement, Entec is providing a sourcing, procurement and inventory management service on an innovative basis, working as a gainshare partner rather than simply a supplier."

Additional value add, from Fulcrum includes the consolidation of multiple payment terms and trading currencies into a single term and single trading currency, reducing risk and improving operating cash. A 14% reduction in active SKUs, with stock duplicates identified and removed, improves client ROCE and up to a 76% reduction in Process to Pay administration, freeing up technical staff to undertake productive tasks.

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#### GHANA

## Oladimeji Akoni promoted to Regional Customer Relationship Manager for FULCRUM 3PMRO®



Dimeji Akoni, former Country Manager for Nigeria, has been promoted to take on wider responsibilities as the new

West Africa Regional Manager for FULCRUM, Entec's highly successful 3PMRO® program, which is optimising MRO procurement, supply and inventory for Diageo regionally. Based in Nigeria, Dimeji will manage the customer relationship across the

client's three West Africa markets, Ghana, Nigeria and Cameroun.

Dimeji has been with Entec for over ten years, initially joining us as Sales Manager for FMCG clients in Nigeria. He became Client Relationship/ Implementation Manager for MRO contracts in 2014, before being made Country Manager in 2017, steering the local sales force and managing local compliance.

He will take up his new role from July 2022, playing a critical part in developing business opportunities as the Fulcrum 3PMRO® program matures across the region and extends to multiple clients.

Project Manager Chris Cullen says, "This important role is front line and requires direct engagement with client management and technical teams across West Africa, with Dimeji being the primary local interface for Entec with Diageo, responsible for day-to-day management of Entec's in-market teams and the service they provide. Effectively, Dimeji will be 'the regional face of Entec', making sure all our contractual obligations – and customer expectations – are fully met. We are delighted with this appointment –

Dimeji is a 'safe pair of hands' with great experience of the sector and the region. I am confident that he will deliver on Project Fulcrum targets for both Diageo and Entec. Warm congratulations to Dimeji on this welldeserved high visibility appointment!"

Dimeji holds a B.Sc in Agricultural Engineering and a Diploma in Strategic Operations Management. He is married, with two beautiful girls, and enjoys playing football, cooking and – fortunately, travelling.

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## Entec expands team as business grows

As business continues to grow for MRO specialist **Entec International, the** company has strengthened its UK team with a series of new appointments across its data analytics, procurement and logistics functions.



Selva Athinarayanan and Sujeeth Chandra Sekaran have joined the busy Data Analytics centre in Portsmouth, responsible for developing new algorithms for inventory optimisation, value reporting and business intelligence. Both will be working closely with the Universities of Portsmouth

and Southampton, with whom Entec has Knowledge Transfer Partnerships in place. Selva worked in the Middle East in engineering sales before moving to UK to complete a Masters degree in Business Analytics at the University of Southampton, while Sujeeth has just completed his Masters in Supply Chain Management at the University of Portsmouth.

> Meanwhile, Cheryl Li and Klaudia Borun have both ioined Entec's Procurement team.

Originally from Hong Kong, Cheryl moved to the UK last year and has taken on the role of Assistant Buyer. She previously worked within the IT industry as a procurement specialist, gaining valuable experience in sourcing existing and new product lines, developing relationships with key vendors, and negotiating best commercial terms. Her role at Entec entails liaising with suppliers on a daily basis, placing new POs in line with best procurement practices,

expediting existing orders, ensuring Entec's internal KPIs are met and the expectations of clients achieved.



Klaudia came to Entec through a Business Administration Apprenticeship Scheme, where Entec partnered with Halesowen College.

Klaudia's role within the Procurement department provides vital support to the team, liaising with suppliers to collate key export documentation such as HS Codes, Certificate of Conformities and Proofs of Origin. As legislation has become stricter in many of the countries that Entec exports to, these documents are essential links within a streamlined and timely supply chain



Katri Thomas, has ioined Entec's logistics department. As Logistics Administrator, Katri is responsible for arranging

the shipment of goods to a range of clients throughout the world. Her role includes ensuring each market's import regulations are adhered to; raising import licenses, organizing 3rd party inspections, as well as liaising with Entec's in-house freight forwarder to ensure the goods are shipped as booked.

According to Entec's Operations Director Ben Walters, Katri's background in Logistics, ensured she made a significant impact 'hitting the ground running' in a busy department. "As we ship all over the world, each destination's import rules and regulations are different. In logistics you need to be pro-active and adaptable, with the ability to think on your feet as these regulations change constantly. Katri is a real asset!"



Entec has secured a supply contract with Hyde Energy Nigeria, representing a new opportunity in the oil and gas sector.

Hyde is a global energy trading company with a downstream network, importing to and trading in Nigeria. Although established only 10 years ago, Hyde is growing rapidly and in 2020 launched its retail distribution of domestic LPG, installing skids across their network of petrol stations and strategic locations

across the country. As the company continues to invest in additional tank and storage facilities, building its network of LPG gas distribution centers across the region, Hyde has contracted with Entec to source, procure and ship a full range of process and industrial equipment to Nigeria.

Head of Business Development for Entec, Torben Kring explains, "Entec has been operating in West Africa for major FMCG companies for many years; we have

a proven network of strategic transportation partners and well-established supply lines into Nigeria. Hyde is looking to leverage our experience and expertise both in best-price procurement and cost-effective consolidation and shipment. We are delighted to be working alongside a resilient, dynamic, and expanding company like Hyde. We envisage a mutually beneficial long-term partnership as the company invests further in multiple assets, requiring ongoing MRO procurement and supply chain support".

New West Africa Regional Manager UK team expanding

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# Entec increases engagement in South Africa



DJ Vosloo has joined Entec's South African team, initially to support the integration of Pioneer Foods into the 3PMRO® structure, established for the three PepsiCo Simba plants already being serviced by Entec in the region.

DJ spent 30+ years with PepsiCo in South Africa and brings his extensive industry experience to the 3PMRO® integration project, which consolidates and manages global shipments of Maintenance, Repair Operation

supplies into the region for Simba. By streamlining the supply chain, Entec's 3PMRO® service delivers substantial cost savings, reduced inventory, streamlined administration and lower CO2 emissions, while reducing Process to Pay (P2P) complexity

PepsiCo supply team are keen to deliver the cost and process improvements to Pioneer Foods, which was acquired by PepsiCo in 2020, already in flight to Simba. Pioneer Foods includes 40+ entities in South Africa, with plants of various sizes within groceries, bakeries, and grain mills.

"We are excited to welcome DJ to the team, says Torben Kring Entec HoBD, he is already making a great contribution to this project. DJ understands the network management and operations at PepsiCo in South Africa, so his help in onboarding and engaging the first wave of Pioneer Foods operations into Entec's 3PMRO® system will be invaluable," he said.

"Our goal is to win hearts and minds in the first phase and demonstrate the benefits of working with Entec in the 3PMRO® model. We look forward to demonstrating our continued support for one of Entec's key global accounts, and to delivering or exceeding our productivity savings targets."

# New inventory optimisation service planned

Building on the success of Project Fulcrum in West Africa Entec is developing a new inventory optimisation program, as a component of its 3PMRO® service, designed to swiftly identify duplication and reduce inventory, accelerating cost savings.

According to Paul Cresswell, Business Development Manager for Entec, the company has identified potential for significant reduction of inventory, which would result in substantial savings for major clients.

In addition to identifying excess inventory, Entec is also evaluating the benefits of creating regional hubs adjacent to client sites. These would service multiple client operations across the region, enabling stock to be held centrally and called off on a 'Just In Time' (JIT) basis.

"We are keen to investigate all avenues that have the potential to deliver further efficiencies and savings to our clients," Paul said. "Currently, we are working on new software to enable us to build data sets and manage thousands of lines of parts effectively. We're in the very early stages, but we believe there is massive scope both for Entec and our clients in inventory optimisation that could ultimately reduce stock holding globally by multiple millions of US dollars."

An important aspect of the inventory optimisation service will be reduction of duplicate items, as often the same

item is to be found in multiple locations within a single store, simply because the part is used on different equipment and the master record is tied to the asset rather than the part itself. According to Paul Cresswell, visibility will be required across all stores at every site in all countries in the region to address this, followed by a major re-cataloguing operation.

The three stages of Entec's inventory optimisation programme will comprise first working with clients to support management of the stores, then establishing regional hubs, and finally driving out duplication and overstocking to achieve minimal capital tied up in inventory.

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# Entec registers 3PMRO® trademark

Entec has successfully registered its 3PMRO® service, which the company has pioneered with major FMCG client companies worldwide.

Designed to optimise spares inventory for global clients with complex manufacturing operations across multiple regions, the 3PMRO® service spans sourcing, procurement and shipping of spares, combined with ongoing inventory management.

As 3PMRO® partner, on behalf of the client, Entec manages local and international suppliers, consolidates shipments, optimising all transactions. In addition, Entec acts as trusted counsel to highlight opportunities for better use of existing inventory across multiple plants. The client benefits from streamlined payment processes, reliable and timely delivery of parts, reduced overall inventory holding, substantial cost savings, as well as reduced P2P cash cycles for both client and suppliers.

Entec's CEO Mike Robinson says, "We work in close partnership with our clients, with real-time access to multiple data points across their global manufacturing facilities. Entec operates on a trusted partner basis, where its remuneration reflects value delivered.

These relationships provide incentive for Entec to seek continuous improvements and underpins the confidence our clients have in our local and global teams.

The term '3PMRO®' was coined by Entec as an equivalent to the term 3PL, widely used for Third Party Logistics. Our 3PMRO® is a service that has been developed and honed over many years, supported by significant investment in market leading IT. To have registered the 3PMRO® trademark simultaneously protects our brand and confirms our ownership of the concept."

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# Entec explores Al and Machine Learning

Looking forward, Entec's latest KTP (Knowledge Transfer Partnership) project with the University of Portsmouth, exploring the opportunities offered by Al (Artificial Intelligence) and ML (Machine Learning).

According to Entec's IT Director Oliver Syner, an objective of the project is to create a harmonised database of parts, enabling Entec to identify products ordered by clients more rapidly and more accurately, whether singly or en-masse, bringing added value to customers further enhancing our 3PMRO<sup>®</sup> service.

Oliver explains, "We have over 30 years' experience dealing with the many spare parts our clients require. Each client tends to have their own description of a particular part – sometimes the same part is described

differently even by the same client, depending on which site is placing the order. Of course, we have dealt with most of our clients for many years, so we know how to interpret the data, but identifying the part required from multiple descriptions is clearly time consuming, particularly when onboarding a new client, where a mass data upload is required and also when processing larger data sets, ahead of a business case proposal, by the analysis team. Sometimes harmonising the data takes the analysis teams several weeks, across just one business unit let alone an entire region's data."

Using AI and ML, Entec aims to build a clean and unified database of items, linked with its own system, which contains over 30 years of sourcing history data.

This will enable Entec to identify items instantly, regardless of the client, country or site, automating and streamlining a range of business processes, and using clean data to improve its unique stock optimisation service across multiple customer sites globally.

After the project, Entec intends to continue its journey with Al and Machine Learning by implementing this technology into other areas of the business, strengthening current services, while generating new business opportunities.