



# Pipeline of digital procurement power, unleashed

## KPMG Flagship client story

*"KPMG really listened to us, took the time to understand our past mistakes and to understand the sensitive culture change issues we faced. Understanding that data is the lifeblood of our organization, and that digitalization is a journey and not a destination. KPMG took over the project, which was in jeopardy of a swift contract renewal deadline. We were impressed with their ability to help our organization change mindsets and the legacy of Procurement even in the midst of unprecedented "COVID-19" restrictions. The KPMG relationship is the main reason we were able to meet and exceed all of our objectives."*

— **Jackson Coco**,  
Director of Treasury,  
Magellan Midstream Partners

## About our client

**Client name:** Magellan Midstream Partners, L.P.

**Client industry:** Industrial markets

**Client sector:** Energy and chemicals

**Client segment:** Oil and gas

### About our client

Based in Tulsa, Oklahoma, Magellan Midstream Partners, L.P. is a publicly traded partnership that primarily transports, stores, and distributes refined petroleum products and crude oil. It offers standard gasoline, diesel, and jet additives and partners with many customers to install proprietary additive systems at various terminals across the Magellan enterprise. Additionally, its transportation and terminal services provide specialized services such as ethanol storage and gasoline blending along their petroleum products pipeline system.

## Project at a glance

Seeking better insight into and control of their purchasing, Magellan Midstream Partners worked with KPMG to transform their procurement function, leveraging Powered Procurement enabled by Coupa's business spend management cloud solution under a compressed timeline.



## Challenges

As a leading U.S.-based pipeline company responsible for transporting, storing, and distributing crude oil and refined petroleum products, Magellan Midstream Partners was steadily expanding despite operating as a decentralized organization with many manual, nonstandardized processes. These contributed to a limited view into procurement and spend and limited data on exactly what was being spent, when, and on what. In addition, the rise of "COVID-19" exacerbated procurement challenges for Magellan as it did for many companies worldwide, creating an unprecedented need for the scale and speed of a digital procurement transformation. Faced with these hurdles, alongside concerns about user adoption success and an impending contract renewal, the company recognized the imperative need to digitally mature their procurement function—in short order. For transformation implementation guidance, the company desired a trusted advisor well-versed in their industry and a demonstrated Coupa-specific technology approach; thus, they turned to KPMG.

## Key KPMG initiatives

KPMG combined deep insight and extensive experience within the energy community along with an accelerated implementation approach to quickly drive value for our client. We understood Magellan's pain points and leveraged KPMG Powered Procurement enabled by Coupa, which at its heart is a prebuilt target operating model that's embedded with years of leading practices, preconfigured templates, and enhanced with automation. Because we started with a prebuilt target operating model, eliminating the need to start from scratch, Magellan was able to swiftly validate our planned approach and unleash a pipeline of digital procurement power for significant business value and ROI, leveraging the Coupa business spend management solution.

To successfully improve process standardization, simplify user experience, and deliver rapid data insights, KPMG performed the following initiatives:

- Leveraged the Powered Enterprise prebuilt tools and methodology to deliver a target operating model and close 85 percent of all design decisions through the first two weeks of validation, driving speed-to-value for our client
- Achieved critical buy-in from executive leadership to remove barriers and positively influence support from their teams and endusers, resulting in cross-functional “champions” of the newly implemented technology
- Increased company savings projections by designing and standardizing procurement approval processes
- Employed leading practices for change management, including “trusted training” which involved functional champions training their own teams, gathering team member feedback along the process, and gaining true advocacy to adopt and utilize the new system.

## Business impact

KPMG combined its Powered Enterprise framework with Coupa’s business spend management cloud solution and strong collaboration efforts with the company’s IT team, to deliver Magellan Midstream Partners the immediate procurement enhancements it required, with speed and efficiency, in an almost completely virtual environment. Because of our guidance and accelerated approach, the company was able to focus their efforts on the things that made their business unique. They experienced a digital procurement transformation jump start enabling hundreds of thousands of dollars in annual savings from Coupa Advantage, and a projected total annual benefit from various operational and processing savings in the millions.

- Wide-ranging spend visibility across the organization delivering clear, accurate data points and moving the company from a costly reactive approach to a proactive spend management approach
- An easy-to-use system with self-service and mobile capabilities, offering scalability for future improvements, innovations, and growth
- A newly created category and vendor management team to become resident data scientists that can deliver powerful, accurate insights for confident decision-making in real-time
- A dramatic increase in preapproved spend and spend compliance, along with adoption of compliant e-invoicing
- Timely payments, as well as increased transactional efficiency of automatically matched invoices, and overall user adoption of the tool.

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## Why KPMG?

### Ambitious leaders want to move quickly.

The preconfigured assets and technology accelerators delivered by KPMG Powered Enterprise let ambitious leadership teams take advantage of embedded leading practices to speed up the decision-making process while instilling confidence.

### Technology change is all about chemistry.

The chemistry we develop with our clients is a large factor in a “Why KPMG” determination. Our bench strength, leading industry experience, and extensive knowledge base enables us to work easily with our clients, quickly adopting their ways of working while providing a healthy challenge. That chemistry dynamic helps us build the right change management program to ensure user and supplier adoption, overcome old habits, and foster a sense of ownership within organizational teams.

### Smarter together.

Coupa enhances our ability to help clients transform their business spend management processes to add strategic value, increase process efficiencies, reduce costs, and improve free cash flow. Together we enable organizations to realize the benefits of a user-friendly procurement application that encourages adoption, increases management oversight, and enables greater visibility into corporate spending.

### We are procurement geeks at heart.

As experienced and resourceful advisers, we love to drive holistic digital transformation across all types of clients. We help procurement organizations create visions, develop strategies, execute plans, and make transformations stick.

## Let’s start a conversation.

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