BearingPoint®

Dow achieves contractor management efficiency with the cloud-based solution Comengy

Dow has now greater transparency, control, and compliance across its contractor management processes and procurement of labor services. By implementing Comengy, BearingPoint's state-of-the-art solution powered by AES/32, Dow can leverage detailed analytics for better resource allocation and cost savings.

Dow is one of the world's largest manufacturers of plastics, industrial intermediates, coatings, and silicones, supplying customers in fast-growing market segments such as packaging, infrastructure, mobility, and consumer applications. Operating manufacturing facilities in 31 countries with 37,800 employees, Dow delivered sales of approximately $57 billion in 2022.

Balancing costs by planning contractor efforts better

Dow, a leading manufacturer of plastics and chemicals, counts on thousands of contractors to perform various daily activities in its plants. This wide variety of workers includes mechanics, plumbers, and electricians, who are hired as contingency support staff to execute general maintenance work, turnaround maintenance, and construction projects in over hundreds Dow sites worldwide.

Estimating the effort for such tasks is often challenging, as each project may involve different complexity and duration. Consequently, contractual rates may not match expenditure, which ultimately has an impact on Dow's profitability. To prevent this, the company required greater transparency, closer to real-time information, and higher process control in order to better plan, source, and manage work from external contractors.

Upgrading to a single automated solution for a seamless labor service strategy

Dow partnered with BearingPoint for the design and deployment of a new solution for contract management. The first phase consisted of a thorough assessment of Dow's process maturity, as well as a Fit-Gap analysis that identified the pain points of the services procurement process and legacy disconnected tools. As a result, a digital roadmap was recommended to address the multiphase transformation without disrupting the day-to-day operation. A business case for standardized global processes using cloud-based solutions was derived from these evaluations. Measurable benefits were calculated, including cost savings achieved by automated billing calculation, efficiency gain, improved real-time reporting capability, and error elimination. The future state of the digital order-to-pay process was developed with additional custom features to meet Dow's specific needs.

The cloud-based platform, Comengy, was configured to track supplier activities, performance, and provide detailed supplier contractual information. Service providers' local rates were integrated into a global database with online cataloging that automates all billing calculation. BearingPoint also supported Dow with extensive change management and supplier enablement activities to enhance the onboarding experience of the new solution.

> *Over the past two years, BearingPoint has been a valuable partner on Dow's Digital Manufacturing Acceleration (DMA) journey to drive digitalization in contractor management with Comengy solutions. Integration at the enterprise level speeds automation across the contract-to-pay process with increased transparency on transactions, real-time cost visibility, and useful supplier performance metrics. Over time, detailed transactional data allows us to build better analytics to drive further efficiencies and growing cost savings from contract compliance and performance governance.*
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> Isaac Camacho, Global Program Director at Dow

Using technology to drive compliance and transparency in outsourced labor management

With Comengy, Dow now has access to accurate real-time data and on-demand resource availability, planning, and billing. All information is updated almost instantaneously, enabling rapid reassignment of resources, and minimizing the risk of data loss and human error. Clear workflows and invoice automation have improved time and cost efficiency in addition to user satisfaction. Furthermore, the manufacturer benefits from high transparency and data consistency in managing their contractors.

Dow can now utilize Comengy data to build detailed analytics and is able to accrue costs from planned to actual, which allows more accurate forecast and better risk management. In addition, the solution enables appropriate controls, adaptable to Dow's business needs, while ensuring contract compliance.

Over 150,000 invoices have already been processed for labor, materials, equipment, rent, services, and per diems. Dow continues its journey to transform contractor management and labor sourcing by expanding Comengy to its larger manufacturing locations around the world.

Contact

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