

ISM's R. Gene Richter Awards for Leadership and Innovation in Supply Management

*2006
Award
Winners*

Presented May 8, 2006

Minneapolis, Minnesota



Recognizing excellence in supply management.

Winner: People

PERSONNEL DEVELOPMENT: A COMMITMENT AT BP

Companies that are successful at accomplishing their goals do so by aligning supply management with business strategies. For London-based BP p.l.c., the



period following a series of mergers and acquisitions activity gave the company an opportunity for introspective evaluation. With a focus on its internal capabilities, BP developed an organic growth agenda

whereby procurement was identified as a key lever for delivering business value. John Manzoni, group managing director and chief executive of refining and marketing put it this way: "There is a direct link between the skills of our procurement professionals and our ability to capture value." To support this agenda and develop the necessary skills for value creation, the company implemented the Capability Accelerator Program. Manzoni has seen the payback of this investment in the development of procurement professionals through contributions to the bottomline. In addition to benefiting BP, the program has also earned the company a 2006 R. Gene Richter Award for Leadership and Innovation in Supply Management in the People category.

The heart of the program is comprised of eight core modules that address most skills gaps. The modules cover a variety of topics, including living strategy and program management, communication and engagement, internal performance management, financial decisionmaking, strategic sourcing and supplier management. While the module offerings are impressive, it is the people-centric structure of the program that makes it unique.

What would normally be three years of personal development for the program's participants is compressed into a rigorous six-month period. The target audience included 140 senior members of the global refining and marketing (downstream) and corporate and functions (indirect) procurement community, a group responsible for managing nearly one-half of the company's third-party spend.

Each participant was independently assessed against role model job profiles, covering comprehensive skill sets. Based on the outcome of the assessments, a tailored learning plan was developed for each individual, listing the modules deemed appropriate and relevant for the participant.

A critical component of the program and an essential part of the modular experience is hands-on expert coaching and peer learning groups. Coaches

were selected to be experts in both their subject matter and coaching skills. Coupled with the hands-on coaching was the establishment of peer learning groups. The groups served as a networking opportunity where procurement professionals from diverse backgrounds, each with different business challenges, came together to solve common procurement issues across BP.

The program was rolled out in three waves beginning in July 2004. Since the final wave's completion in September 2005, BP has issued several surveys to participants, line managers, stakeholders and coaches to gauge the effectiveness of the program. Nearly 50 percent of the responses indicated a perceived significant improvement in the skills area. The remaining responses indicated some improvement with evidence of application, for an average score of 3.3 on a four-point scale.



A Winner's Snapshot

Company: BP p.l.c.

Award category: People

Size: More than \$300 billion in revenues; 102,900 employees

Web site: www.bp.com

Company description: BP is one of the world's largest energy companies. Its business is about finding, producing and marketing the natural energy resources on which the modern world depends.

Project Focus: Investment in developing the skill sets of key members of the procurement community through expert on-the-job coaching, delivered in a programmatic way, with the objective of unlocking increasingly complex sources of value in support of the business strategies.

Key individuals: Keith Crichton, program director; Mike Pietrone, Americas lead; Amos Rogers, Americas; Simon Pridmore, Europe; Lebu Mabota, Europe/Africa; Brett Murray, Asia Pacific.