CASE STUDY #448

SUPPLY RISK ASSESSMENT, STRATEGIC PARTNERING, AND CONTRACTING

ABOUT THE CLIENT

Industry	Wind Power
Revenues	$46 billion
Employees	40,000 (parent company)
Location	Offshore UK
BSI Service or Solution	Supply Chain Strategy

Key Challenges
- Rapidly changing technologies, suppliers, and economics in the offshore wind supply market
- Complex trade-offs between key decisions (e.g., number and size of turbines, acquisition cost, maintenance costs, and warranty liabilities)
- Six-stage, seven-year construction program presented a wide range of possible supply chain options
- Long lead times, with major strategic decisions needed pre-FID (before budget authorization)

Why BSI was Selected
- Deep experience in energy project management
- Decision-making tools and processes to help evaluate complex technology and economic trade-offs
- Intimate familiarity with the major suppliers involved
- Category expertise (e.g., turbines, marine logistics, etc.)
- Onsite, local consultants

Project Scope
- Wind turbines
- Foundations
- Electricals
- Installation
- Vessels

Project Approach
- Stakeholder interviews
- Master supply chain planning
- Category sourcing strategies
- Financial, risk and scenario modelling
- Implementation planning

Financial Benefits Realized
- 13% reduction in projected capital and operating expenses
- Minimization of risks by locking in a feasible project plan
- Minimization of internal supply chain management costs

Operational Benefits Realized
- Robust plan to meet all deadlines and maximize profit by leveraging proven supply chain strategies
- Identification of bottlenecks and plans to mitigate them
- Quantification of needed financial commitments
- Internal alignment around supplier partnering strategies