


Capgemini



EXCELERATE
ENERGY

A large offshore supply vessel with a white superstructure and a black hull, sailing on the ocean. The vessel has a prominent red buoy in the foreground. A blue line graphic is overlaid on the image, starting from the Capgemini logo and ending near the buoy.

EXCELERATE ENERGY SUPPORTS TRANSFORMATION PLANS WITH BLOCKCHAIN

SAP Business Technology Platform solutions
keep focus on core business rather than logistics

Excelerate Energy is a global leader in floating LNG services and introduced floating storage and regasification units, or FSRUs, to the market. FSRUs convert LNG into natural gas shipside, removing the need to build time-intensive and expensive onshore infrastructure. Excelerate's fast-track solutions provide non-stop regasification services 24 hours a day, seven days a week for countries that utilize natural gas for power. LNG is one of the cleanest and most reliable ways to meet the rising global demand for energy.

Excelerate provides end-to-end solutions by building infrastructure projects and providing regasification services. It has created new markets and access points for suppliers and, with demand increasing, Excelerate provides important market access for US LNG producers. The company has transformed from being solely a ship owner and operator to bringing ship management inhouse in 2020.

Tracking a global fleet

The Excelerate fleet is located around the globe, providing access points to LNG providers in Latin America, the Middle East, and the Far East. However, there

was a need for greater visibility into its worldwide operations. It wanted end-to-end visibility around the supply chain, including how spare parts were moving as well as the entire logistics lifecycle from supplier to third-party logistics to customs to husbandry agencies maintaining the fleet.

Ship captains and superintendents count on the timeliness of spare parts so vessels can perform without interruption. The lack of transparency was a risk to operating costs, with expensive expedited shipments and a manual reconciliation structure based on emails, phone calls, and spreadsheets. Excelerate needed to be more streamlined and efficient to support its growing business.

Using blockchain for transparency

Excelerate developed a process model and realized that what had started off as a logistics concern was actually a deeper issue with direct impact on operating expenses and cash flow. The lack of visibility meant Excelerate had to track shipments manually via emails and phone calls between third-party logistics providers, custom agents in various countries, and husbandry agents.

"Many times, people think it is easy to find a solution, but it is actually difficult to first find the problem and visualize it," says Gaylyn Fox, Director, Supply Chain Management and Procurement, Excelerate Energy. "We engaged our long-time partner Capgemini to truly understand our challenges and find a solution for our business."

Excelerate worked with Capgemini to map the inputs and outputs in the entire procurement and supply-chain process. It identified not only the track-and-trace issues within the network and the transparency problems but also the operating expenses, cash flow, and working-capital backlogs.

For example, entities in South Asia Pacific require certain documents from customers in order for Excelerate to be paid. If the company could not produce the critical documentation, the collections issue impacted working capital. Many customers required certain documents to be presented for re-billable items. This meant gathering all past emails and it slowed payments.

There were also a considerable number of third-party logistics providers involved. Excelerate needed to ensure its fleet



“We were aware that we had some technology risk going into this project because it was the first time building it on blockchain. It was important for us that Capgemini be a partner and invest in this implementation to help us reduce the risk. We truly appreciate Capgemini's support in turning the impossible into a possibility.”

Gaylyn Fox

Director, Supply Chain Management and Procurement, Excelerate Energy



of vessels could perform at its peak and had to supply spare parts for fuel stratified injection (FSI) for scheduled or unscheduled maintenance work.

"In addition to accuracy and timeliness of having to perform, the goods received were processed manually in a procure-to-pay process via email between vendor and third-party logistics, and our supply-chain management team's time was consumed, especially as some of the information would get lost in the process," explains Fox.

Streamlining the process with the security of blockchain

Excelerate implemented blockchain functionality on the SAP Business Technology Platform as a natural way to solve the problem. The company had looked at different software solutions, including specific transportation-management options, but wanted to stay focused on its business model of being an FSRU operator, not a logistics company.

The company did not want a solution that required the hiring of support resources or taking on recurring application-management or maintenance costs. Even a third-party bolt-on solution came with risks. The interface could break, which would require more hiring, and the

more it scaled the more costs increase. Either option represented a significant investment of time by Excelerate.

"Blockchain was a complete game changer, since it truly empowered the user," Fox explains. "It was easy to understand for the users, and it also had the advantage of being economical and fast against all of the solutions being considered. We did not have to increase our head count for logistics and we don't have to add any additional resources on the IT side. It is very scalable with very little to no development required, and maintenance costs on the cloud are extremely low."

Blockchain is an agnostic solution that can connect not only with SAP but with any underlying ERP system, since it sits on the cloud. It also quickly addressed transparency, lack of real-time data, monitoring capabilities, and handoffs to different parties.

Connecting the transparent supply chain

Now, as soon as a purchase order is issued, Excelerate's system notifies all the parties in the supply chain on a real-time basis. Once the fuel is released by Excelerate, the supplier and downstream agents, such as third-party logistics and

customs husbandry, know it is coming. It also means vessel captains have visibility in real time.

For third-party logistics providers, Excelerate picks a product from the window location and is notified when it is picked and when it arrives at the warehouse. The next step is sending a re-check to accommodate shortages or damaged products. Excelerate added a line-item check, which is basically a quality-inspection stage. The status of each step is tracked in the blockchain ledger in real time for complete visibility and transparency.

"The result of having the third-party logistics providers doing a line-item check of goods received from vendors via the PO and bill of lading means we have the ability to do the goods receipt for financial purposes in a third-way match procure-to-pay process," Fox says. "There is more accuracy for the financial side to do accruals but it also provides more accuracy to the treasury group in forecasting cash flow."

Now the hand-off to customs agents from the third-party logistics providers is seamless. Even if the local agents do not have sophisticated systems, Excelerate empowers them with an application that sits above the blockchain that allows

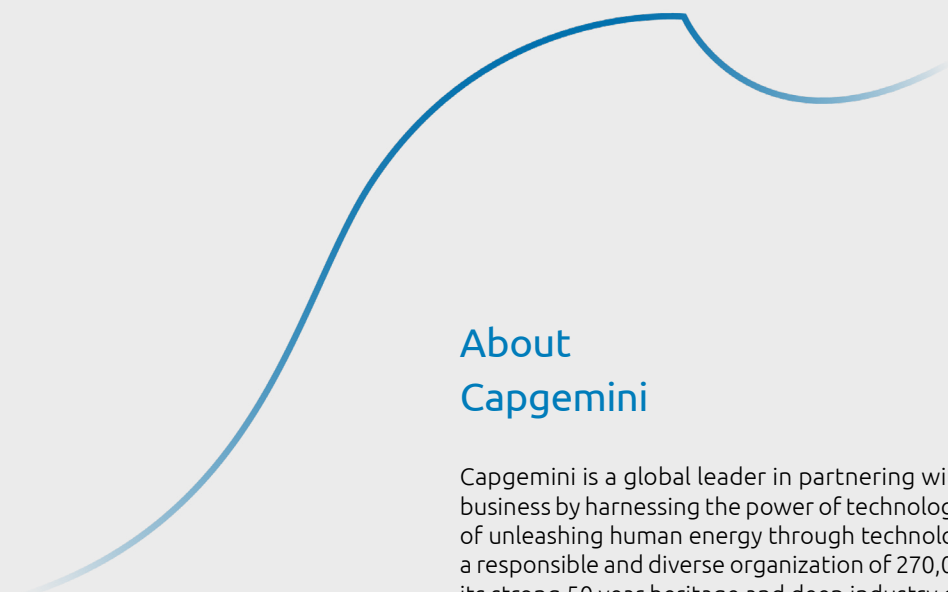
them to enter status information. They can also upload critical documents to help clear customs and Exceleerate receives proof of delivery as soon as it happens.

It has been a game changer for Exceleerate. Rather than sending emails with documents to obtain reimbursement for costs, everything is centrally stored

and can be retrieved within seconds. Real-time information means Exceleerate can accurately calculate and recognize financial liability. It also means more accurate and on-time invoicing because of the improved Days Sales Outstanding (DSO) information.

“Blockchain dramatically increased

transparency and responsiveness and empowers captains and engineers to get end-to-end visibility in real time on where their shipments are, without having to contact any external or internal people,” Fox says. “Additionally, blockchain allows us to concentrate on our core business of being an energy provider rather than being a logistics company for spare parts.”



About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 270,000 team members in nearly 50 countries. With its strong 50 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2020 global revenues of \$19.3 billion.

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