

From Oil & Gas to an Integrated Energy Conglomerate



Motor Oil Group has transformation built into its DNA. Since its founding in 1970, the Group has been best known as an oil and gas manufacturer with the second largest refinery in Europe and distribution to large industrial and commercial customers. Today, the Group's profile encompasses much greater diversity, including investments in solar and wind, direct-to-consumer electricity and natural gas solutions, media and trading businesses, exports to more than 45 countries, and more than 1,300 petrol convenience stations in the eastern Mediterranean region.



- **Industry:** Petroleum, Gas and Energy
- **Global Headquarters:** Greece
- **Region:** EMEA
- **Employees:** 2,100
- **Annual revenue:** \$11.48B USD (2019)
- **Leadership profile:**
Nikos Giannakakis, Group CIO

Nikos Giannakakis joined Motor Oil Group at the beginning of 2020 as the company's first chief information officer (CIO) and member of the executive management team. Giannakakis has worked with leading brands British American Tobacco, Coca-Cola HBC, SAP, and luxury goods company Richemont. He is a big enthusiast of the watch industry, and even though he's a digital advocate he prefers his mechanical watches over smart watches.

In a very short period, Giannakakis has been both leader and learner, contributor, and digital culture maker. His mandate: help transform the Group's current operations, focus on a better customer experience, and embed digital DNA in what was a traditional oil and gas business.

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Operating a large and complex refinery representing the majority of the Group's revenue has obvious priority. Increasing equipment availability while reducing maintenance cost, minimizing business-critical equipment shutdowns, and providing performance visibility of refinery equipment to facilitate business decisions are outcomes that have resulted from automated machine learning and augmented analytics, and user-friendly visualization of historical and forecasted values along with abnormal behavior detection.”



Nikos Giannakakis

Under the new CIO's direction, IT needed to create an end-to-end process with top-notch integration points that would elevate customer insights and support business resilience and customer satisfaction through periods of stability and volatility (like a global pandemic). This means having the right amount of inventory and product assortment at the right location, and at the right price and time, across its customer base. That can be a serious issue or a more minor pain point depending on whether you're referring to energy for heat, mobility and manufacturing, or customers who want to refuel with their favorite candy bar when shopping inside a petrol convenience station.

Improving the customer experience across 1,300 petrol convenience stations has meant optimizing product assortment and availability in non-fuel sales so customers get their candy bar and other goods too. Analytics and insights are helping Motor Oil better understand store performance, shopper behavior, and the impact of COVID-19 on the business through artificial intelligence (AI) and machine learning. SAP Cloud Platform supports the development of predictive maintenance models and SAP Analytics Cloud houses the data and enables reporting.

To help the company meet customer needs at all levels, SAP's intelligent strategic planning tools enable the organization's finance and supply chain functions to create alternative scenarios on the fly. SAP Business Planning and Consolidation, for example, supports the delivery of Group level planning, budgeting, forecasting, and financial consolidation capabilities such as easily adjustable plans and forecasts, accelerated budget and closing cycles, and compliance with financial reporting standards.

“We are following SAP's model to become an intelligent enterprise,” says Giannakakis. “The transformation to a leaner, faster, more efficient organization is succeeding and SAP S/4HANA's interoperability with Microsoft Azure is playing a key role, with the ability to accelerate digital working initiatives, like remote working, being enabled through Microsoft Teams and Microsoft 365.”



• **SAP Solutions:**

- SAP ERP 6.0 (industry solution for oil & gas)
- SAP S/4HANA Utilities
- SAP for Retail
- SAP Cloud Platform and SAP Analytics Cloud (for predictive maintenance)
- SAP SuccessFactors
- SAP Business Suite powered by SAP HANA
- SAP Business Warehouse powered by SAP HANA
- SAP Business Planning and Consolidation
- Flexible Real Estate Management (RE-FX) component (for IFRS 16 compliance)
- SAP Disclosure Management

• **Priority Partners:**

- EY Consulting
- Accenture
- Microsoft
- REAL Consulting

The overall outcome of these initiatives is enhanced production and the ability to balance shifting supply and demand with pricing and increased energy efficiency, which ultimately supports a resilient and profitable business environment.



“When I joined and the pandemic surfaced, the Group forged ahead with great determination, not wanting the future of the organization to be undermined because of the current pandemic. The pandemic accelerated many of the planned systems changes already in place within our transformation journey,” says Giannakakis.

“This included adopting solutions like route optimization for the replenishment of our petrol station network and improved berth management, while exploring initiatives of AI and machine learning to support our trading teams with price optimization tools and insights and forecasts of the commodities markets.”

Conclusion

As the Mediterranean sun dawns on 2021, Giannakakis looks forward to the Group’s continued journey of transformation and growth. “A culture that is agile – that can adapt and thrive in change – is a culture of success. Change comes through innovation. I would like all my colleagues to be proactive about bringing forward innovation regardless of size; sometimes what seems like a small idea can have real impact.”

KPIs & Benefits

The Digital Transformation of production and operations and the introduction of intelligent monitoring and control systems is aiming towards the following benefits:

Reduction of unplanned corrective maintenance up to 30%

Increase of productivity up to 25%

Reduction of carbon emissions up to 25%

Reduction of the inventory of spare parts up to 10%

Reduction of operational costs up to 5%