

31 DECEMBER 2001 – A NON-NEGOTIABLE DEADLINE FOR **BP OIL** TO HAVE ALL THEIR EUROPEAN FILLING STATIONS CONVERTED TO EUROS. EIGHTEEN MONTHS TO GO AND THEY WERE IN A PANIC, UNTIL PHIL CRANE STEPPED IN TO PROVIDE A HELPING HAND.

impact
executives
HARVEY NASH GROUP

Pumping Euros

Tony Blair's not the only one to have suffered from a Euro-headache. Two years ago BP Oil faced the mammoth task of converting 5500 petrol stations across Europe from local currencies to the Euro. That meant new IT systems for point of sale, back-office administration, and pumps and other equipment on petrol station forecourts. BP Oil was up against a non-negotiable deadline – December 31st 2001, the day before currencies in the Euro Zone countries were due to converge. The business was under some considerable pressure.

Six operating companies – in Austria, Germany, Holland, France, Portugal and Spain – were involved, along with three suppliers – one British, one Italian and one Danish. Coordination of the suppliers, was a challenge and the company needed to focus more closely on developing implementation plans and project assurance. BP Oil was trying to handle the challenge with no central point of responsibility, and floundering.

Graham Pooley, Euro Project Leader at BP Oil, recalls: "We needed someone to coordinate the implementation of the Euro systems. That meant defining what was required from a business point of view across all these different countries and markets, turning that into a technical specification that suppliers, operating units and the BP Oil central team could agree on, and then following through the programme, keeping all parties on course through constant liaison."

They realised they needed an experienced expert, and initially looked for consultancy help. "But we couldn't find anyone with the necessary skills and experience," says Pooley. They turned instead to the interim market, and found someone who met their needs exactly. Philip Crane had just retired from Royal Dutch Shell after nearly 35 years in the oil industry, where he had specialised in IT retail systems. "Phil had exactly the right experience," says Pooley. "But as well as his technical background, he also had very strong interpersonal skills that allowed him to act as a facilitator and get all the different cultures, markets and groups of people working together. He established credibility very quickly with suppliers, retail management and IT people on the ground."

Not only did BP Oil meet its deadline for switching over its systems to the Euro, it completed the project 25 per cent under budget. What's more, the transition was smoother than it had dared to hope. Instead of the hundreds of queries it expected to field during 'cut-over' – the day the system was switched – it received just 67 calls. That's a remarkably low number for a project of this size, and the dealers who, in some cases, run the sites, even complimented BP Oil on the

lack of hitches, comparing it favourably with some of its competitors.

There were three distinct phases to the project: systems development, a pilot and roll-out. Each had its own characteristics and resource needs, but they all had to be coordinated.

Crane spent the first four to six weeks preparing the ground. He drew up rules for how the project should be run, to provide quality assurance. He did a risk analysis to prioritise the issues to be addressed. He evaluated the resources that the suppliers and BP Oil's operating units had committed to the project. And he got the suppliers to produce plans to show how they would deliver the software changes.

The first main phase of the project involved developing and testing the software. As well as having to deal with Euros, the new systems also had to cope with the six-month period of dual currency until each country's own currency is phased out. So, for example, a customer might pay for their petrol in francs, and get their change in Euros, or vice-versa. Software suppliers also had to provide training material to teach BP Oil staff in all the different

“ You need to be sensitive to the cultural differences in each country and the sensibilities of the different groups of people you are working with ”

‘ So by any measure, the project was very successful,’ says Pooley. ‘But I believe without Phil we wouldn’t have achieved it. He made an outstanding contribution.’

operating units how to serve customers in Euros. ‘Just getting their heads round the exchange differences – particularly when you have to convert from a low- to a high-value currency – is very difficult,’ says Crane.

The pilot phase involved trialling the software at a number of petrol stations, and then commissioning more software. And the roll-out phase involved linking all the retail systems at the petrol stations to BP’s central office systems.

Crane spent 15 months coordinating these activities, visiting an operating unit or supplier once a fortnight, attending a steering meeting once a month, and keeping in regular touch by telephone. During this period he went to the Continent about three times every month.

Crane didn’t have a big team reporting to him, but he directed the work of around 20 key individuals in the operating units and supplier companies. But it is testimony to his interpersonal skills that he encountered an element of resistance only three times during the 22 months he spent on the project.

‘You need to be sensitive to the cultural differences in each country and the sensibilities of the different groups of people you are working with,’ says Crane. ‘Indeed, that was critical to the success of this project.’

For example, he says, as part of the quality assurance and progress report procedures, he produced some basic templates for milestone reports and to list errors. ‘Some people were reluctant to use them, because they had their own ways of doing things, or they weren’t doing it at all,’ he says. ‘But I managed to convince them to use them so that we were all singing from the same hymn sheet.’

But he credits BP Oil with creating a co-operative climate. ‘They were very effective at both building and motivating the team,’ he says. ‘They brought together the operating units, the central team and the suppliers into one big team, and were very good at celebrating major milestones and completion of the project.’

His task was also made easier by the fact that the project had the full support, commitment and co-operation of senior management in BP Oil. As he says, ‘It was a senior, high-profile project, because it had to happen.’

Ironically, despite his 35 years at Shell, the BP Oil project has brought Crane full circle. He began his career in 1965 with ShellMex and BP, the company that used to market both Shell and BP’s products. In 1974 it was split into two separate companies, and although Crane wanted to work for BP, he was sent to Shell. He progressed through Shell’s Toronto subsidiary, where he was data centre manager, to the exploration and production business in Holland, where he was systems team leader for corporate systems. He then became IT manager of the manufacturing plant at Shell Haven Refinery, and subsequently systems manager for the Shell lubricants business, where he managed a £15 million pound project to install a computer integrated manufacturing facility.

His last role at Shell was European Retail Information Manager, responsible for IT development projects across Europe for Shell retail companies, covering 12,000 sites. He ran a central core team of 70 people, and managed several more in the operating units.

‘I have a great fondness for both Shell and BP,’ says Crane. ‘In fact, they have very similar cultures, which helped my transition into this job. The BP Oil project was a good challenge and I enjoyed it tremendously.’

Pooley sums up Crane’s contribution more prosaically. ‘I don’t know what we’d have done without him,’ he says. Stuart Corr added ‘Philip Crane was a natural for this assignment, he has a breadth of skills in applications development - Phil works well with all parts of a company, and he has great drive and enthusiasm’

THE CHALLENGE

BP Oil had to convert 5500 petrol stations across Europe from local currencies to the Euro – involving six operating companies and three suppliers – all of whom were based in different countries throughout Europe. There was no co-ordination of suppliers, no development or implementation plans and no project assurance. They looked to the Consultancy sector for help, only to find it was not specific enough. So they turned to interim management to satisfy their needs.

THE INTERIM

Recently retired from a 35 years in the oil industry, Crane was looking for his next challenge. He was a specialist in IT retail systems and had worked throughout Europe. Crane moved into interim management as it offered the opportunity to utilise his skills whilst also providing him with some working flexibility. His broad knowledge of the industry and his interpersonal skills minimised the amount of conflict throughout the project.

THE SOLUTION

BP met its deadline of 31 December 2001 for switching its systems over to the Euro and the project completed 25% under budget. The number of queries received from troubled dealers on the switch over date was remarkably low – most unusual for a project this size.