

CASE STUDY

OPERATING MODEL REVIEW

2024

Objective

Xenco was engaged to provide strategic and analytical support, helping the client evaluate whether an owner-operator or outsourced contracting model best suited their business needs.

Our team then guided them through the tender submission process, delivering critical insights and support to ensure an informed and confident award decision.

The Challenges

Our team navigated several complex requirements to deliver support to the client.

- Short timeframe to contract award.
- Various pricing scenarios required by the client.
- Bottom-up construction of contract documents.
- Ensuring site and corporate ownership of contract structure and content.
- Level of technical due diligence required to assess vendor submissions.
- Cost analysis of scenarios.

AT A GLANCE

Challenges

- Insource / outsource review.
- Management of a multi-billion-dollar tender process working across all key stakeholders: site, procurement, legal and suppliers.

Benefits

- 20% cost reduction achieved from initial tender price to final contract award.
- Enhanced confidence in contract delivery.
- Balanced risk allocation.

Contact us

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Xenco Services is a multi-disciplined, specialist service group that delivers executive and operational level support to businesses seeking significant improvements in productivity, efficiencies and company profitability.

Our Approach

A disciplined project management approach was implemented, leveraging experienced leaders, subject matter experts, and a structured system and process.

Our business review team collaborated with the client to develop and evaluate various business model options, providing a thorough analysis of their merits.

- Ensuring they were fit for purpose without unnecessary "Sticky" costs.
- Scalable and flexible to enable navigation through price cycles.
- Any implications that may arise in relation to growth plans and other operating asset operating models.
- Opportunities of leveraging technology to reduce cost and improve sustainability.

Our contract tender support team managed the process end-to-end to ensure:

- A realistic and executable baseline was established to enable comparison of tender submissions.
- Corporate governance, contract delivery expectation and risk profile were clearly understood and met.
- Transition requirements for a change in contract structure and potential change in service provider were workshopped with all key stakeholders and action plans were developed.
- A negotiation strategy was agreed and implemented to extract maximum value.



"Xenco's commitment to excellence was pivotal in securing the contract award and five-year term with an estimated value of \$1.6 billion – the largest contract in our history.

This is a significant achievement, and it would not have been possible without the tireless work, extensive effort, and the seamless teamwork between corporate and operational teams".

- Management

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Our Result

The client successfully adopted a tailored business model aligned with their operational needs and goals. This outcome was achieved through a comprehensive and disciplined tender process, delivering not only a 20% cost reduction from initial submissions to the final contract award but also ensuring a well-rounded solution that met key objectives.

Key achievements included:

- Fit for purpose operating model.
- Operational requirements met within the tender documentation.
- Due diligence in the assessment process.
- Cost savings through expertise and analysis.
- Dedicated project management, focus and transition planning.



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