

140 billion gallons of gasoline in the US each year

Blockchain innovation can transform how energy companies manage their supply chains—and their finance operations



Last year, an energy company saw the potential of blockchain technology and wanted to test it for themselves. They had two goals: educate Finance and IT about blockchain solutions—and solve a real business challenge at the same time. The company had decided to reduce its use of resources for time-consuming processes requiring large amounts of reconciliation. They thought blockchain might help smooth those processes, but they couldn't find good examples of it being used in the energy sector. So, they asked Deloitte for help.



140 billion gallons of gasoline in the US each year

What happened next

Conceptual discussions of blockchain can be frustrating. But when you talk about practical business considerations, things get real. That's why we started by identifying a dozen possible blockchain applications, each with a high-level business case. A preliminary analysis suggested that the order-to-cash process for gasoline shipments would be a good place to start. The process had a complex ecosystem, plus it was labor-intensive and time-consuming. Too many people were spending too much time on the phone with shippers, refinery terminals, and retailers. It was a perfect testing ground for blockchain.

The results? The company created an order-to-cash blockchain solution that delivered spectacular insight to the benefits. A process that used to require as much as a week to sort through is now managed in a matter of minutes. The new solution is also more accurate, with no need for back-end reconciliation.

The toolkit

Blockchain is disruptive, so disciplined change management was essential. The company created a Center of Excellence to foster communication across Finance and throughout the supply chain. After the decision to focus on order-to-cash, the pilot took about 10 weeks to launch. Ethereum was the protocol chosen for the solution.

Looking ahead

The company is excited to build upon their success with blockchain to transform their business and some of their finance processes. Even though they focused initially on order-to-cash, there are now numerous other applications waiting in the pipeline. Within order-to-cash, the next step is deeper integration into the supply chain, to include shipping schedulers, truck safety certifications, and, ultimately, invoicing and payments. The company is even looking at a credit solution that would bring banks into their blockchain ecosystem.

Contacts

Steven Ehrenhalt

**Principal, US and Global Finance
Transformation Leader**

Deloitte Consulting LLP

Tel: +1 212 618 4200

Email: hehrenhalt@deloitte.com

Anton Sher

**Principal, US Finance and Enterprise
Performance – Finance in a Digital
World™ Leader**

Deloitte Consulting LLP

Tel: +1 213 553 1073

Email: ansher@deloitte.com

Jonathan Englert

**Senior Manager, US Finance
and Enterprise Performance**

Deloitte Consulting LLP

Tel: +1 215 405 7765

Email: jenglert@deloitte.com

Jamie Weidner

**Senior Manager, US Finance
and Enterprise Performance**

Deloitte Consulting LLP

Tel: +1 212 618 4268

Email: jweidner@deloitte.com

Contributor

Mark Koeppen

**Principal, US Finance
and Enterprise Performance**

Deloitte Consulting LLP

Tel: +1 713 876 4856

Email: mkoeppen@deloitte.com



To find out more, please visit www.deloitte.com/us/crunchtime.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Copyright © 2018 Deloitte Development LLC. All rights reserved.