

100% Procurement Compliance

Continental Automotive implements globally transparent, standardized procurement processes via the SupplyOn central platform

// To ensure that international corporate groups comply with the strict compliance guidelines laid down by law and those of their customers, they need maximum transparency in all of the procurement decisions to award contracts. Who was involved in the decision-making process? On which documents was the decision based? Which suppliers offered which conditions? Continental Automotive has set up a standardized procurement process via the platform SupplyOn, which makes every procurement decision comprehensible and transparent, and at the same time makes the purchasing organization more efficient.



Challenges

Continental Automotive was faced with the challenge of restructuring its procurement processes on a global scale and mapping them in such a way that they would meet the increasing compliance requirements laid down by law and those of their customers. They wanted to introduce a central system for the approx. 2,500 decisions that the corporate group makes on awarding contracts every year through which it could handle and document the entire process from the requests for quotations right through to the final awarding. The goal was to be able to retrace every sourcing decision from start to finish anywhere in the world with minimum effort.

Due to the increasing complexity of sourcing projects and the high procurement volume of 12 billion euros, the previous process had limitations. Many contract-award processes involve numerous people and departments: project buyers and persons responsible for specific material groups, usually located in different countries all around the world, operational and management level, plus Logistics and Quality Management in addition to Procurement - a level of complexity that could only be controlled with a great deal of effort.

Management faced another challenge, which was to structure decision templates in such a way that they contained only information relating to the decision-making process. At the same time, the aim was also to significantly improve the efficiency of the purchasing organization, consisting of approximately 1,200 buyers at over 100 production sites all around the world so that the buyers would have more time to spend on important, strategy-related tasks. The goal was to come up with a broadly automated evaluation tool.

The SupplyOn solution

Continental Automotive decided to deploy SupplyOn Sourcing across the entire group in order to meet its procurement-related challenges. Firstly, the tool means that everyone involved in a procurement decision can be included in the process from the outset and has access to all the necessary documents and information. Secondly, the tool documents every contract award transparently and in accordance with compliance requirements to ensure that the award decision is transparent and incontestable. The option of „freezing“ an RfQ process once it has been closed, i.e. saving it so that it can no longer be changed, completes the available compliance functions.

In order to be able to provide the decision-making committee with the essential criteria shortly before the award decision is made, various templates were configured which can be used depending on the complexity of the procurement project. The SupplyOn Sourcing standard function for automatically evaluating bids is at the heart of the tool and was configured in line with requirements. This meant that management's request to have concise information could be accommodated.

In order to tangibly improve the purchasing organization's efficiency, a procurement database was set up in which every position of every request all around the world is logged: the so-called Sourcing List. This function not only allows for insightful analyses on volumes and prices, which strengthen the buyer's negotiating position, but also facilitates the measurement and transparency of the purchasing organization's success.

Benefits at a glance

- Procurement processes are incontestable and fulfill strict compliance requirements
- The time and effort required for internal coordination as part of the award process has been considerably reduced since everyone involved is included in the process from the outset and can access all the relevant documents
- The introduction of the procurement database (Sourcing List) has improved the negotiating position and the efficiency of the purchasing organization
- The manual effort involved in evaluating bids has been reduced since bids can now be compared at the touch of a button
- Sourcing decisions are made more quickly and safely based on standardized information
- Audit preparation is kept to a minimum since all documents relevant to the decision-making process are stored centrally

Project details

In the first phase of the project, the Continental specific templates for the Sourcing Decision Sheet were defined and configured. These contain the criteria relevant to the decision-making process for awarding contracts and allow management to take fast, safe and transparent decisions on awarding contracts. At the same time, the procurement database (Sourcing List) was programmed to ensure that extensive evaluations in terms of the quantities requested and prices achieved can be carried out, for example regarding all the requests of a division or a material group.

The second phase of the project was dedicated to rollout. Since over 80% of the company's strategic suppliers were already linked to SupplyOn, the focus was on internal rollout and extensive training for buyers. Firstly, the training focused on the new procurement process itself. Secondly, the buyers also learned how to efficiently and effectively handle the

process via SupplyOn Sourcing: How are the templates used? How do project buyers, who are normally responsible for a sourcing project, involve Serial Purchasing, management and other departments via SupplyOn? How are the responsibilities mapped, etc.?

As part of the rollout project, 650 buyers in Europe, Asia and countries covered by the NAFTA were trained within approximately two months.

SupplyOn AG

Ludwigstr. 49 // 85399 Hallbergmoos
T: +49 . 811 . 99997-0
info@SupplyOn.com // SupplyOn.com