

# Imitation Recommended

*The challenges facing the manufacturing industry are to lower costs and to optimize processes. Purchasing plays an important role in this, as can be seen in examples from the automotive industry. From the point of view of Dr. Robert Fieten, there is no way around using IT-based tools.*



***"The manufacturing industry can profit from the purchasing solutions and established standards of the automotive industry."***

*> Dr. Fieten, where do you see room for the manufacturing industry to improve specifically?*

In traditional purchasing alone, there is considerable room for improvement in parts of the automotive industry and at countless other firms working in the manufacturing industry: Inquiries and orders are still often sent via regular mail or as faxes. The media interruptions arising from this make communications with suppliers prone to error, slow down processes, and result in high processing costs. The purchasing department can considerably

reduce processing costs with an efficient design of the supply chain and transparent communications.

*> Where do cost-efficient process simplifications begin?*

A good overview of procurement volumes enables buyers to summarize demand, realize bundling effects, and thus achieve better prices and terms. Buyers are also supported by having access to a directory of suppliers that gives them an overview of the suppliers and their products available on the market.

*> What do e-procurement and e-sourcing solutions have to accomplish in order to support procurement processes?*

Purchasing has evolved: As a department, it works together closely with product development, logistics, and quality management. Pure e-procurement and e-sourcing solutions are thus just as insufficient for the manufacturing industry as they are for the automotive industry. There is hence no way for "new" purchasing to avoid the use of IT-based tools that enable close cooperation with partners and strategic suppliers above and beyond simple procurement processes.

*> What do companies that use e-procurement have to keep in mind?*

E-solutions have to support the intensive process of communication and coordination across departmental and enterprise boundaries. This requires an extensive standardization of processes. Having standards supports the reuse of tried and tested patterns and approaches, while easing interoperability. It is also helpful for backend IT services to be integrated in the company's own ERP system.

## SupplyOn as a role model

SupplyOn is a platform for the automotive and manufacturing industry. Its portfolio of solutions for transparent supplier management is modular in structure and allows the design of business processes in the departments of purchasing and sales as well as logistics, product development, and quality management. In addition, SupplyOn supports its customers by providing a tried and proven service concept for all phases: from the analysis of actual processes to the implementation of new processes, all the way to the connection of the suppliers and the daily use.

*> How would a suitable solution look that could be applied both to the automotive industry and to the manufacturing industry?*

Many software firms offer IT solutions that are oriented exclusively to purchasing. Yet purchasing has evolved into supply management: deeply interconnected with development, logistics, and quality management. The manufacturing industry needs a collaboration platform that can depict and facilitate this interconnection. In the automotive industry, SupplyOn has become established over the past several years as a platform that enables this very interconnection. Manufacturing companies can profit from this platform's solutions and established standards. The automotive industry has pioneered the technique. Imitation is not only permitted, it should even be recommended.

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