

BOSCH REXROTH AG OPTIMIZES GLOBAL SUPPLIER MANAGEMENT WITH SUPPLYON

Bosch Rexroth AG is recognized as global technology leader in drive and control technology. The wholly owned subsidiary of Robert Bosch GmbH is represented in over 80 countries around the world and employs more than 28,200 people. The company's wide range of hydraulic, pneumatic, electronic and mechanical products, its global presence and the high expectations of its customers all mean that optimum organization and control of the value-added chain is an essential requirement for sustainable market success. By introducing the EDI and WebEDI solutions from SupplyOn, Rexroth has created a platform that guarantees transparent and efficient management of its supplier network.

Bosch Rexroth AG maintains business relationships with many thousands of suppliers. Optimization of the processes within these business relationships promised greatly enhanced efficiency for both the company and its suppliers. After performing an internal evaluation, Rexroth opted for the WebEDI solution from SupplyOn. This solution supports all classic ordering functions and has become the industry standard in the automotive sector. The flow of information from delivery control to the arrival of goods is now electronically tracked and financial processes such as electronic invoices, credit notes and billing notifications are also handled electronically. This enables customers and suppliers to create an integrated digital delivery chain.

product and raw material suppliers who supply to Rexroth at least twice a month. There are several reasons for linking up as many suppliers as possible to the new system. Firstly, processes can only be standardized if the new form of communication is in widespread use. Secondly, it accelerates the process of amortization for the solution.

Learning from the automotive industry

All of Rexroth's German plants and two of its European plants now communicate with their suppliers via SupplyOn WebEDI or EDI. To make sure the introduction of the solution passed off as smoothly as possible, Rexroth set up a working group in which the members of staff responsible for introducing the solution in the various plants could share

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Nelli Petri, responsible for the worldwide roll-out of SupplyOn EDI and WebEDI at Bosch Rexroth



The pilot phase of the project began back in late 2005. "Our objective is to link up with 80 percent of our suppliers via EDI or WebEDI," says Nelli Petri, who is responsible for the worldwide roll-out of the solution and project coordination at Rexroth. Since Rexroth also works with a number of very small partners, the company only links up

their experiences and best practices and address any problems together. Rexroth also took advantage of the know-how of the Bosch Group, which has been managing its supplier processes with

this very system for a number of years. "The automotive industry is the front runner in digital supplier management. We can benefit from this level of experience because there are many similarities in the structure of our delivery processes and in our internal systems," explains Petri.

To ensure optimum implementation of the solutions, Rexroth defined a standardized procedure. First of all, the company's IT department carried out a series of test runs with the individual plants. The processes were then approved. "The system works very smoothly, both in the German plants and in our European plants," says Petri. For the system to be successful it was essential for all those involved to be properly informed and trained in its use. Many suppliers already handle their processes with other customers using SupplyOn solutions, and so benefited from synergy effects.

Results and outlook

By transferring the majority of its transactions to a standardized communication solution, Rexroth realized several benefits in a single maneuver. The transparency and security of its processes were considerably improved, and the number of manual processes, particularly in the handling of dispatch notifications and delivery slips, was substantially reduced. "The automation of these processes saves resources and eliminates a key source of errors. Our process and planning quality is now much higher, both for us and for our suppliers," says Petri, summing up the results achieved so far.

This positive impact is reflected in Rexroth's plans to invest in further solutions from SupplyOn. Other supplier management solutions are currently being tested: in the USA, for example, the company has been trialing SupplyOn's Inventory Collaboration solution since

May 2006. In early 2007 Bosch Rexroth AG will also start using SupplyOn solutions in its processes. The sourcing solution is expected to significantly accelerate and simplify the request for tenders process with around 50 suppliers. And the simultaneous use of other SupplyOn modules for logistics and quality control will create a holistic supplier communication strategy based on a single portal. "Using the SupplyOn platform enables us to integrate all supplier-related processes and therefore unleash synergy effects for which we lacked the technological basis up till now," Petri sums up.



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