

Purchasing processes via SupplyOn

Sourcing: as simple as possible, as complex as needed

What good is a sourcing tool that basically covers all conceivable purchasing processes but is nevertheless so complicated that not all buyers use it? A tool that requires so much training that even trained buyers soon forget how to operate it? The answer is: not much. Only if such a tool is adopted company-wide can purchasing processes be standardized, purchasing compliance guidelines be respected and a purchasing organization's efficiency be improved. That's why SupplyOn's motto is: as simple as possible, as complex as needed. A global plant construction company has found a tool in SupplyOn Sourcing which covers precisely the required functions, and is reaping the rewards as it is rolled out globally.

Challenges

A global plant construction company wanted to standardize and optimize its purchasing processes group-wide by introducing a sourcing tool. The processes in question were defined by head office and were then to be rolled out across the global purchasing organization. The aim was to carry out all request processes (Requests for Information, Proposal and Quotation) via one central system in order to make the purchasing organization more efficient and transparent.

Various different sourcing tools were tested, but did not deliver the required result, firstly because they were so complicated to handle that many buyers could not and did not want to use them, and secondly because important functions were missing and complex requests could not be represented properly. For example, files larger than 10 MB could not be added and a request with various items could not be uploaded as an Excel file. However, both are essential in plant construction since it is mostly complex parts that are requested, which are based on extensive drawings and parts lists.

Back-end integration would have been feasible in theory, but would have involved so much work and money that the company decided against it.

As a result, the tool was used by just a handful of employees and hence the aim of having group-wide standardized purchasing processes was not achieved.

The SupplyOn solution

In line with the motto "as simple as possible, as complex as needed", requests for quotations on SupplyOn Sourcing are reduced down to the essentials, are clearly laid out and easy to generate.

Individual templates can be provided for different types of requests with relative ease, for example a template with a simple structure for requests for indirect materials or a template with a parts list structure for requests for production materials. The templates are clear but contain all the fields required for the type of request in question.

BENEFITS AT A GLANCE

- Optimized, standardized processes for requests (Requests for Information, Requests for Proposal and Requests for Quotation), which are used by the entire purchasing organization globally
- Time saved generating requests on account of the diverse templates which are tailored for the different types of requests
- Time saved comparing quotations on account of the extensive, easy-to-use evaluation functions
- Potential to save even more time in the future through back-end integration on account of automatic copying of master data and technical documents from the internal SAP system
- Time and costs saved on account of a universally integrated process via one system: from strategic purchasing to operational procurement and transport management

The supplyOn solution (continuation)

As there are virtually no restrictions in terms of file attachments, even very extensive construction diagrams can be attached to requests. Parts lists, etc. can be easily uploaded from an Excel file.

The back-end integration option further simplifies the buyers' work as master data and documents can be automatically copied from internal systems. Integration is very attractive for the plant construction company because a large proportion of the requested components relate to diagrams and are customer-specific.

Project details

A one-month Proof of Concept phase was followed by a three-day workshop in which SupplyOn and selected buyers worked on three templates for the request types "direct materials", "indirect materials" and "transport services". Process know-how and knowledge of other best practice projects also came

into play here. SupplyOn's straightforward recommendation was therefore to reduce complexity to a minimum in order to generate simple, manageable templates.

Subsequently, technical implementation was carried out in North America and China in just six weeks. Speed was of the essence, since the contract with the provider of the previous system was about to expire, and possible since SupplyOn was able to support the rollout with its own local offices.

The next step involves further plants in Europe and South America and later on India. Eventually, all 200 buyers will handle their requests for quotations via SupplyOn Sourcing in the future.

In parallel with the global implementation, SupplyOn is working on developing a back-end interface, via which master data and technical drawings can be transferred automatically from the internal SAP system. This will also simplify and speed up the generation of requests for quotations.