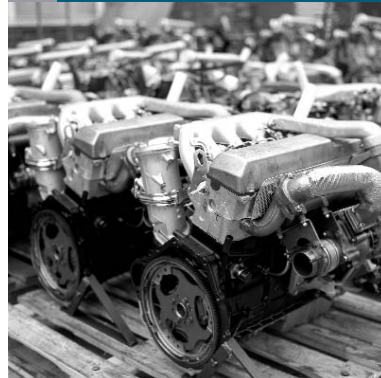


## SAP Customer Success Story



**SupplyOn AG, the business service provider for the automotive component supplier industry, supports essential business processes such as sourcing, collaborative engineering, and supply chain management. As the company's preferred technology provider, SAP plays a major part in implementing optimized business processes.**



## SUPPLYON AG

### **BUSINESS SERVICE PROVIDER REDUCES PROCESS COSTS FOR PURCHASING AND SELLING**

In the summer of 2000, SAP, together with leading companies in the automotive component supplier industry, launched an electronic marketplace called SupplyOn AG. Based in Hallbergmoos, Germany, SupplyOn is a business service provider for the automotive component supplier industry. Partners in SupplyOn AG are Robert Bosch GmbH, Continental AG, INA-Holding Schaeffler KG, Siemens VDO Automotive AG, ZF Friedrichshafen AG, and, as a technology partner, SAP AG. About 4,000 suppliers from over 30 countries are registered on the marketplace and about 70 employees coordinate its online business.

As a business service provider, SupplyOn offers services to the participating companies, contributing widely to the standardization and optimization of collaborative business processes. These services are described below.

### **LIST OF VENDORS MAKES PURCHASING AND SELLING EASIER**

The list of vendors, known as the business directory, is an easy-to-use and well-structured information database for the automotive supplier industry. It enables buyers to easily search for and compare business partners, for example, by listing all the vendors of a particular material group.

This results in a win-win situation for both buyers and sellers. For buyers, the effort of selecting appropriate vendors is reduced from several days to a few hours. Sellers find a platform for targeted, and therefore effective, market coverage without dispersion losses. "At SupplyOn, we aim for our entire range of services to be available within a high-quality list of vendors. If you need our service, you will find us there," says Thomas Hohenwarter, who is responsible for projects and sales at Gluth Systemtechnik GmbH.

**"SupplyOn allows us to reduce the number of integration gaps in the process from making a request to submitting a quotation to zero. This means reduced process costs and fewer errors,"**

Thomas Rees, Managing Director, Jose Rees GmbH & Co. KG

In addition, the business directory reduces acquisition costs, frees capacities in sales, and enables you to find business partners that may be located far afield. "Recently, for example, we received a request for quotation from a Bosch plant in the Czech Republic. We had never been in contact with them before, even though we have been supplying Bosch for several decades now. What is more, some potential new customers have also taken notice of us," Hohenwarter says.

#### **STANDARDIZED QUOTATIONS FACILITATE EVALUATION**

After checking the business directory for potential suppliers that meet their criteria for range of services, buyers can request quotations. The list of vendors created from the business directory can serve as the distribution list for requests for quotation (RFQ). Buyers can add any type of electronic documents, such as drawings, to the Web-based bid invitation forms.

The form templates provided by the marketplace provide a great advantage. "The electronic forms SupplyOn provides for different material groups considerably facilitate the writing of quotations and contracts, because the required data is already included," says Hohenwarter.

Thomas Rees, managing director of Josef Rees GmbH & Co. KG in Wehingen, Germany, also appreciates the benefits of the marketplace. "SupplyOn allows us to reduce the number of inte-

gration gaps in the process from making a request to submitting a quotation to zero. This means reduced process costs and fewer errors," says Rees. In addition, digital RFQs can be archived more quickly than paper-based forms and made available faster and more easily to all internal employees involved in a project. The incoming quotations are standardized,

enabling buyers to evaluate them comfortably according to different criteria.

#### **PRICE NEGOTIATIONS IN TWO TO THREE HOURS**

Following an RFQ, buyers can invite selected vendors to an electronic auction. While offline price negotiations may take months, buyers on the Web can determine the time and duration of the auction, so the whole procedure can take just two to three hours. During the auction, a bidder can see the current best bid as well as his or her own rank. A bidder always knows that it is a fair game, because a code of conduct prevents buyers from submitting fictitious quotations.

#### **INTEGRATION WITH MATERIALS MANAGEMENT AND ACROSS THE ENTIRE PURCHASING PROCESS**

The marketplace not only speeds up the processes involving external business partners, but can also accelerate internal processes. This is due to the fact that the SupplyOn sourcing processes can be linked end-to-end with a company's enterprise resource planning (ERP) system. For one single bid invitation, buyers frequently need to list hundreds of items. If buyers and vendors use the platform to communicate, the requirements from materials management can automatically be transferred to the bid invitation form. Dr. Stefan Hoffmann, director of prod-

uct management sourcing at SupplyOn AG, says, “Bosch and other big suppliers, such as ZF or Continental, outsource their purchasing processes to our platform. Integration with the enterprise software makes all the difference with such labor-intensive processes.”

Oliver Soiné, IT coordinator for the purchasing department at Robert Bosch GmbH, says, “By mouse-click, the Bosch ERP system automatically creates an individual RFQ process profile on the marketplace to be sent to the vendor, and links all related documents such as standards specifications and drawings.”

For Bernd Bremicker, the head of the purchasing and logistics department at Siemens VDO Automotive AG, the first experiences with SupplyOn are an important step toward the future, “In a few years’ time, it will be the most normal thing in the world to complete purchasing processes via electronic platforms. We are sure that the extensive use of SupplyOn will make many of our business processes noticeably easier and more productive. That is why we are aiming for a 100% transformation to SupplyOn in many areas of purchasing as fast as possible.”

#### **FROM PURCHASING TO SHARED DEVELOPMENT**

Both buyers and vendors are customers of SupplyOn AG and profit from the central automotive supplier platform. When they enter SupplyOn, they reach a virtual space that is not only a platform for commerce but also for development. Hoffmann says, “Our decision to use an SAP® solution as the basis for the business processes we supported was in part based on the fact that we will now be able to enhance it with collaborative engineering scenarios.”

The document manager enables companies to provide plant standards, construction drawings, specifications, and other documents across enterprise boundaries. This way, vendors always have access to all the relevant up-to-date documents of their customers.

Both sides stand to gain from the document manager, which was developed in cooperation with SAP. Purchasing companies, which provide their vendors with standards and construction drawings, no longer need to perform the time-consuming activities of photocopying and sending paper documents. Vendors benefit from the around-the-clock online availability of the most up-to-date documents at SupplyOn, which they can download for internal processing.

Kurt Köppel, project manager of SFS intec AG, Heerbrugg, Switzerland, cites the advantages of the standards manager, a part of the document manager. “Using Sup-

plyOn’s Standards Manager, our production team can react much faster to changes to standards made by our customers,” says Köppel. “We used to receive this information either by mail – which took up to two days – or in poor quality by fax. Today, it is made available to us in real time in electronic form at SupplyOn. It is now much easier to archive this information and to distribute it internally.”

In addition, as an Internet-enabled platform, SupplyOn offers small and midsize suppliers the opportunity to act as competent development partners in the value chain. This enables buyers to purchase from a broader spectrum of vendors.

#### **TO LEARN MORE**

For more information about SupplyOn go to [www.supplyon.com](http://www.supplyon.com)

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*Oliver Soiné, IT Coordinator for the Purchasing Department, Robert Bosch GmbH*

#### **AT A GLANCE**

- **Strong partnership between SupplyOn and SAP sets standards in the automotive industry.**
- **SupplyOn is a business service provider with added value for vendors and purchasing companies.**
- **Process costs are reduced by using standardized collaborative business processes.**
- **Collaborative engineering supports business processes for development partnerships**

**THE BEST-RUN BUSINESSES RUN SAP**



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