



AUTOMOTIVE | SRM, RFQ,
CATEGORY MANAGEMENT

Bühler: Complex Processes Made Simple with Digital Solutions

The Challenge

Over the past year, Bühler AG has successfully automated its procurement processes using different JAGGAER solution modules. Bühler is now taking the next step towards complete digitalization by using its available data for JAGGAER's Category Management solution, which will be implemented as part of a joint development project. This project is an example of outstanding innovation and cooperation between the two companies.

"For Bühler strategic category management is an absolute must. Everything needs to be easy to manage and well-organized, from the database to the RFQs. The goal is not simply to standardize the RFQ process, but rather to implement and monitor our category strategy sustain-ably. The new Digital Category Management is the perfect tool to help us achieve these goals."

Domenico Scotto di Luzio, Head of Supply Chain Management in the Grains and Food, Bühler AG

Whether they know it or not, billions of people indirectly use Bühler technology every single day. The Swiss tech company offers solutions and technology that are implemented and valued by countless branches and industries. For example, Bühler technology is used to process raw materials, such as rice, grain, and coffee; create die cast parts for the automotive industry; and produce equipment and instruments for optometry. The global orientation of the company's products, its international locations and its global sourcing strategy clearly show that Bühler is a global company through and through.

This global approach, especially in sourcing, can be highly complex. "We want to offer our customers systems and technology that are suited to their market and their manufacturing process," explains Hansjörg Ill, Head of Global Procurement at Bühler. "Standard solutions or serial products are unthinkable at Bühler." Every single machine that Bühler produces for its clients is unique. While they may share the same basic configuration, customized elements for each customer make procurement at Bühler as unique as the systems and equipment they produce.

The corporation has 20 business units around the world, each of which has its own unique product portfolio, purchases locally, and has regional requirements that need to be met. Whether Bühler is producing air pressure systems, silos, compressors or steel constructions, the company always sources for specific projects, which means there is a huge range of differentiated categories.

Bühler and JAGGAER have enjoyed a successful and collaborative partnership for years. Nearly ten years ago, Bühler began optimizing its supply chain processes with JAGGAER. Over the years, the two companies worked together to optimize other processes at Bühler step-by-step with additional JAGGAER modules, such as strategic supplier management, supplier development, and the RFQ process. Indirect procurement at Bühler also successfully replaced SAP SRM with the JAGGAER eProcurement solution, creating a holistic, end-to-end tool with a uniform database in Procurement.

Bühler Holding AG

The Bühler Group is a leading global tech company based in Uzwil, Switzerland. Bühler is leading the global market in technology, grain processing for flour and feed, the production of pasta and chocolate, pressure casting, wet-milling and surface coating. The company specializes in mechanical and thermal process engineering. The Bühler Group operates in more than 140 countries and has 11,000 employees. The company has an annual revenue of 2.7 billion CHF.

www.buhlergroup.com

However, because of the company's global market orientation, its many regional requirements and the fact that it produces customized systems, Bühler is still missing three critical elements that would make its procurement more efficient: the global implementation of their category strategy, KPIs for each category, and increased transparency in supplier development.

A Digital Platform with a New Module

To meet these needs, Bühler and JAGGAER began working together on a strategic development project. Together they wanted to create an entirely new approach to category management and a recommendation engine that would independently make suggestions and recommendations for procurement based on KPIs. This new digital platform will soon serve as a central hub for category managers, lead buyers and procurement engineers, and will also support transactional procurement. The platform will bring every process — from supplier integration and catalog management, to tracking compliance for contracts and optimizing the supply chain — to another level.

Bühler can now build on its new Category Management to implement its procurement strategy universally, monitor its efficiency and automate decision making processes long-term with the help of machine learning algorithms.

“For Bühler AG, strategic category management is an absolute must,” says Domenico Scotto di Luzio, the Head of Supply Chain in the Grains and Food sector, as he describes the opportunities and benefits of digital supplier management. “Everything



needs to be easy to manage and well organized, from the database to the RFQs. The goal is not simply to standardize the RFQ process, but rather to implement and monitor our category strategy sustainably. The new Direct Category Management is the perfect tool to help us achieve these goals.”

Soon, the DCM will be the central module for all processes in digital supplier management. This will allow Bühler to centralize procurement virtually by keeping local buyers in the company’s various locations and business units, and by directing standardized processes centrally.

“I need to manage a global network,” explains Hansjörg Ill, who recognizes the importance of standardized processes. “This only works if we implement the same processes on the same platform, whether it’s in Switzerland, South America or China. This is the only way for me to achieve the transparency we need in a category manager to achieve our target of an annual 3% increase in efficiency in the supply chain.” The DCM and the Recommendation Engine fully meet these requirements.

Bühler’s collaborative contributions, as well as the company’s willingness to invest in innovative processes, tools, and methods with JAGGAER and other customers was so ground-breaking that JAGGAER awarded Bühler AG the 2018 Vision Excellence Award.

In the future, Bühler will achieve the same basic conditions and processes in category management for all its business units around the world. In addition, the company will be able to improve transparency and organization in category management, and will be able to monitor the implementation of its category strategies more effectively. Now, when more than 50% of companies in the industry are just starting to think about implementing a digital procurement solution, Bühler AG is already two steps ahead, securing the company’s competitive advantage for the future.

Your Benefits with JAGGAER

- Global and sustainable category strategy
- Increased transparency and efficiency
- Virtual centralization of procurement processes across all business units

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