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Supply Base Management in a Complex IT and Processing Environment



Customer Profile

Dürr group is one of the world's leading suppliers of products, systems and services, primarily for manufacturing automobiles. Dürr offers important stages of vehicle production. As a systems supplier, they plan and build paint shops, final assembly facilities assembly systems for the aviation industry and air cleaning and filtration systems.

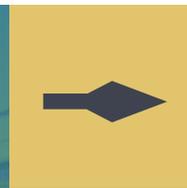
Furthermore, the group offers consulting in automobile and aviation industries as well as general industry. They also deliver cleaning and filtration plants for the manufacturing of engine components and transmission components as well as balancing systems and products for final vehicle assembly. Global presence, a distinct culture of innovation, and customer orientation are the basis of their leading market positions. Dürr employs a staff of 7,900 employees and is directly represented in 23 countries.

"In addition to JAGGAER's high level of efficiency, we were particularly impressed by the technical expertise of their employees, the high performance of the software, especially in SRM, and by the option to expand and add functions later on as needed."

Jürgen Dörfeldt
VP Purchasing
Dürr Systems GmbH

Specialized products and global markets make supply base management for a company with many international branches, such as Dürr, very complex. In 2009, the Dürr Group, a specialist in the automotive industry, undertook the difficult task of implementing standardized processes in its supply base management. The primary goals of this project were to create consistent supplier and commodity databases across all locations and systems, as well as to use workflows to make processes more efficient and to increase transparency, thus stabilizing the Dürr lead buyer concept.





Challenges

Worldwide, the Dürr Group includes subsidiaries in 48 locations and more than 30 production sites spread out across 23 countries. Since 2010, SAP has been used as the standard IT system. The Dürr Group comprises several companies within the field of mechanical and plant engineering that merged together over time, meaning that there are four systems with different supply bases and processes.

The environment for purchasing organizations, which act independently in many areas within the group, is just as diverse. This is due primarily to specific or unique product requirements, different commodities, and individual supplier development strategies of the different organizations. The supply base management was integrated and harmonized within the organization, but was implemented manually without automated

workflows, using Word and Excel as tools. The low level of process consistency within supply base management led to excessive and unnecessary work for purchasers, multiple data entries in various IT systems, and insufficient transparency within supply base management. To combat these issues, the Dürr Group installed an online supply portal as a data hub to improve internal communication between Dürr sites, and to support cooperative efforts with suppliers, including supplier registration, supplier scorecards, and continuing development opportunities to improve the performance of key suppliers.

The Solution

Within the framework of this project, Dürr created a standardized database in supply base management across several SAP systems for all of its sites in Germany. JAGGAER's supplier portal acts as an add-on to SAP and functions as the main communication and data hub for purchasing

organizations in different locations and for suppliers. For the first time, purchasers within the Dürr Group can access standardized information, regardless of their location or the SAP system they are using. Primary supplier data, including product groups, certificates and technologies, as well as supplier scorecards and spend, can all be found in a central location.

With its high level of consistency, JAGGAER strengthens supply base management by providing meaningful information that is critical for purchasing decisions. Dürr directs supplier registration and supplier approval using a workflow in with an integrated function that automatically checks for duplicates before entering information in SAP. This guarantees a consistent and accurate database without any additional manual effort. The core suppliers are required to enter and update their data via supplier self-service. The management of contracts, certificates and documents is also controlled by a workflow, minimizing the amount of monitoring required. The supplier scorecards were integrated into JAGGAER as a central component of supply base management, replacing the previous Excel-based solution. This makes it possible to conduct even more complex performance evaluations on several levels, such as location, project, or company. Additionally, Dürr has implemented long-term supplier declarations with improved features and data sheets, including customs clearing, REACH conformity, RoHS conformity and WEEE guidelines, among other things.

Dürr has successfully implemented a global platform for critical supplier processes. Communication between suppliers and the entire company is now more efficient and transparent, which ultimately benefits the company's global purchasing activities.

Goals Reached with JAGGAER

- Standardized supplier database for all sites and all SAP systems
- Complete transparency of the whole supply base of Dürr Group (360° view)
- Automatic integration of data changes in one SAP system for all linked accounts payable in other systems
- High level of consistency in entire supply base management, starting with registration
- Central overview of a supplier's spend
- Consolidated view of a supplier's performance
- Merging of several supplier scorecards into one aggregated rating
- Central database for global lead buyer concept
- Central management of certificates, contracts and supplier documents in the workflow

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