



ENERGY & UTILITIES: SOURCING

JAGGAER Powers Procurement at Suntech, Powering a Green Future

Suntech's mission is "powering a green future" through the research and development and production of crystalline silicon solar cells. Founded in 2001 and based in Wuxi in Jiangsu province, China, the company is the world's leading manufacturer of photovoltaic (PV) modules, more popularly known as solar panels. Indeed, the company's headquarters features the world's largest building integrated solar façade.

Cumulative historical shipments of Suntech PV modules exceed 25 GW. It serves three main market segments. For utilities, it builds PV power

plants, putting more sustainable energy on power grids. More grid connections mean less carbon emissions. For commercial and industrial customers, Suntech provides green energy, typically with large rooftop projects on factories, shopping malls and other large buildings. And for residential customers too, Suntech "turns the gift of the sun into green energy for the world".

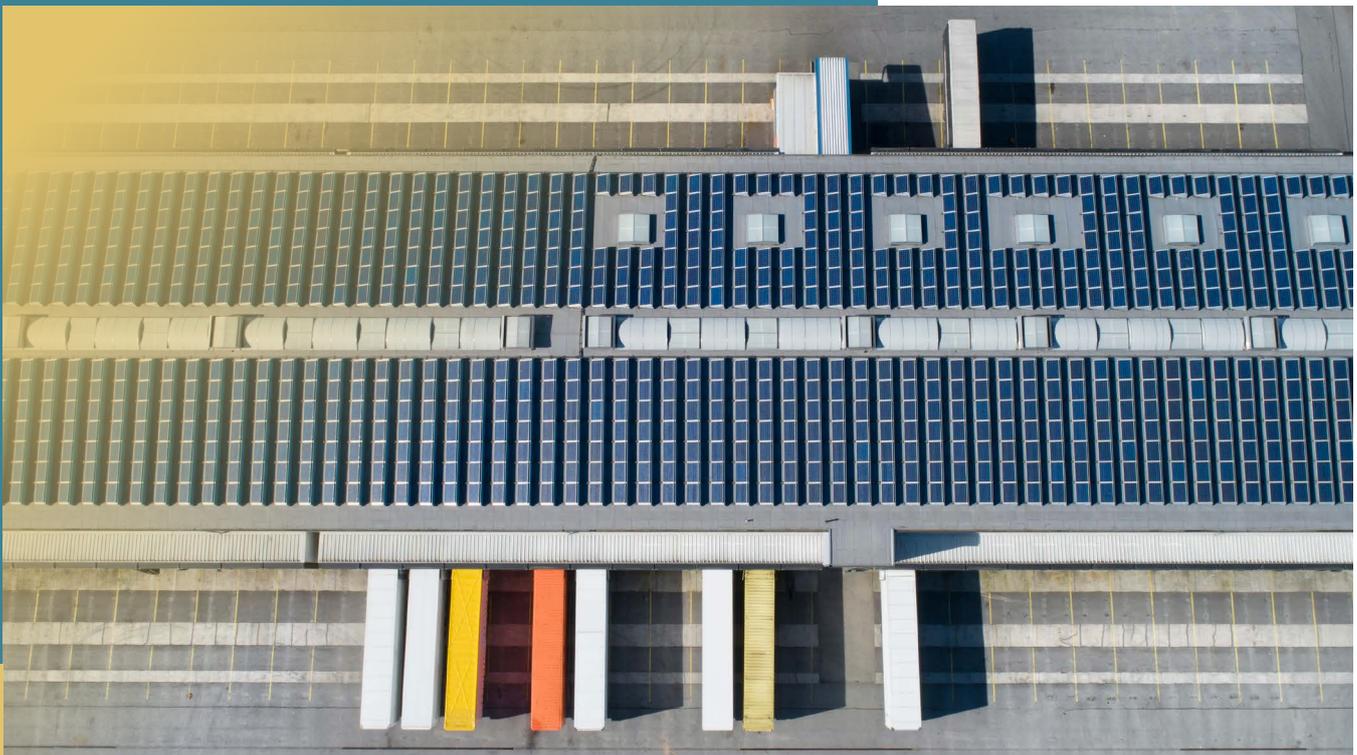
Suntech is represented in more than 100 countries around the world and in 2019 drove operating revenues of US\$ 11.15 billion, a year-on-year growth of 4 percent.

Suntech is driven by innovation and quality, the owner of more than 500 authorized patents. "We are devoted to improving conversion efficiency of our products, continuously enhancing new technologies, and improving our manufacturing techniques. We're one of the world's most powerful forces driving the grid parity of photovoltaic power generation," says Mr. Wu, Chief Procurement Officer, Suntech.

"JAGGAER has helped make Suntech the benchmark and reference for purchasing within the solar power industry, and is therefore contributing to a sustainable future,"

Mr. Wu,
Chief Procurement Officer, Suntech

JAGGAER →



An important element in Suntech's success is the sourcing of reliable, high performance materials and components. Today, digital production allows Suntech to trace all incoming materials from suppliers during the production process from the beginning to final product. This is vital to the rigorous quality control across the entire process of manufacturing top quality products for Suntech's customers.

However, a few years ago the company faced a number of challenges as new competitors entered the market for solar panels, making it far more competitive and imposing the need for greater efficiencies in procurement. At the time, Suntech had no formal process for sourcing and supplier management and no understanding of the supplier base. There was no tool available to monitor or track compliance in supplier management and no mechanism to drive significant cost savings to improve its competitiveness. Management had no visibility into past or present sourcing projects.

Therefore in 2012 Suntech looked for a solution partner to guide it through its digital transformation of procurement, and selected JAGGAER.

"JAGGAER entered the Chinese market very early compared with other spend management vendors," Mr. Wu says. "Its team has grown and matured to provide good local support."

Suntech also found that the JAGGAER ONE platform had been highly localized for the Chinese market. "JAGGAER is committed to continuous development to meet local market requirements," Mr. Wu says. Suntech was also convinced that a software as a service (SaaS) solution best suited their needs because it offered high security without hardware investments.

Apart from the SaaS solution, JAGGAER Professional Services ensured a smooth transformation of the sourcing and procurement



function at Suntech by designing new roles and responsibilities and assisting with the design of category classifications of the Suntech Group's direct and indirect materials and services.

"JAGGAER also analyzed the current processes and designed and developed a roadmap for taking us from the 'as-is' to the 'should-be' situation, and helped us through the change management process," Mr. Wu says. The JAGGAER implementation went live in June, 2012.

Seventy buyers in Suntech's purchasing department currently buy from more than 2,000 suppliers, with 1,800 tenders issued to date and 600 negotiations taking place annually.

The results so far are playing a role in Suntech's success story. "Already in the first full year we saw savings of RMB 10M [approx. US\$ 1.6M] by sourcing with JAGGAER," Mr. Wu says. Since then, Suntech has enlarged the scope of

sourcing via JAGGAER to a wide range of direct and indirect categories. The most important of these are logistics (sea freight, customs clearance, domestic transportation etc.); auxiliary materials (such as aluminum frames, copper belts etc.); graphite; and services. Purchasing and senior managers also have much better visibility into projects and sourcing activities, as everything is tracked within the system.

Today, purchasing plays a significant role in Suntech's intelligent manufacturing value chain: getting quality materials and components into the warehouse just in time and interacting with Suntech's in-house manufacturing execution system.

"JAGGAER has helped make Suntech the benchmark and reference for purchasing within the solar power industry, and is therefore contributing to a sustainable future," Mr. Wu concludes.

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