

# Innovation and High Performance by Increasing Quality



WINDMÖLLER & HÖLSCHER

PLANT CONSTRUCTION AND ENGINEERING  
SRM, RFQ, QDX, LLE



*“JAGGAER offers a complete and problem-free connection with SAP, which is something that is not guaranteed with other providers. SAP remains our primary system, so an option that offered full integration with SAP was our highest priority”*

— Herbert Fischer  
Procurement Manager  
Windmüller & Hölscher

## PROFILE

Lengerich/Germany based Windmüller & Hölscher is an inter-nationally leading manufacturer of flexible packaging machinery and equipment. The product line encompasses blown and cast film equipment, flexographic and gravure printing presses, machines for surface finishing and processing of paper, films, and woven plastic fabrics, as well as FFS (Form-Fill-Seal) packaging systems. Windmüller & Hölscher equipment and systems are currently in operation in more than 130 countries and at more than 5,000 customer plants, which impressively proves that the manufacturer lives up to its company maxim „Passion for Innovation“. [www.wuh-group.com](http://www.wuh-group.com)

With more than 1,500 registered patents worldwide, Windmüller & Hölscher KG is a technological leader in the field of flexible packaging. The impressive level of innovation delivered by the high-tech engineering company is powered by the 35 members of their purchasing team, who tackle an annual purchasing volume of over 200 million Euros. Since 2007, Windmüller & Hölscher have been using JAGGAER's eSolution with full SAP integration to unify and simplify their purchasing processes, and to optimize their supply base management, including quality control issues.

## THE CHALLENGE

Windmüller & Hölscher is a dynamic company in the field of flexible packaging that constantly strives to improve and develop their products further. The company must procure nearly 1,000 new parts each month in order to satisfy the production demands of predominately small product batches that include up to 60 units. This means that the purchasing team must process over 16,000 inquiries per year, most of which were received and processed via e-mail or fax – until recently. The transfer of data into the SAP system was done manually rather than with a simple mouse click, as were the analysis of supplier performance and the processing of complaints. By combining stand-alone solutions with JAGGAER's SAP-integrated solution, the purchasing department at Windmüller & Hölscher can now implement new procurement strategies and can support supply base management during each phase.

## THE SOLUTION

In 2007, the high-tech mechanical engineering company decided to work with JAGGAER and began implementing the RFQ module (Request for

Quotation). By automating the request process, the purchasing team at Windmüller & Hölscher is now able to receive and process 16,000 offers annually, most of which contain multiple material items. The purchaser first enters the inquiry into SAP, determines which suppliers to send it to, and then sends the data to the JAGGAER portal to create an RFQ. This module allows the RFQ's to be distributed automatically, and the suppliers can then submit their offers directly via the portal. As part of the RFQ process, suppliers may also receive further documents or diagrams that can be taken directly from the SAP document system and transferred to JAGGAER. After the deadline for submissions has passed, the purchaser will receive an overview of bid comparisons with a list of the best offers. The purchaser manually selects which prices to add in SAP. The data is then entered automatically, meaning that errors, which may occur during manual data entry, are minimized. This drastically increased the quota for each purchaser.

## FIRST-RATE SUPPLIER PERFORMANCE

In order to improve

complaint management and to measure supplier performance, the company has been using the JAGGAER QDX module (Quality Data Exchange) since 2010. Of the 3,000 defects that are reported per year – ranging from broken pieces to defective electronic components – all of the relevant complaints (2,000) are processed via

from just over 80% to over 95%. The documented data also serve as the basis for a thorough analysis of supplier performance and a comprehensive supplier rating system. Hard facts, such as a supplier's adherence to delivery schedules and complaint rates, are first entered into SAP and then sent on to the QDX module. Each

## GOALS REACHED WITH JAGGAER

- Proactive integration of suppliers in the purchasing process
- Continuous processes with 100% SAP integration
- Automated RFQ process
- Reduction of manual tasks, which minimizes error rate
- Automated and documented complaint processing
- Analyze supplier performance and create action points

JAGGAER. The complaint data is first entered as a report in the SAP system and, following its release, is then transferred to JAGGAER. The supplier is notified automatically and is prompted to fill out the 8D Defect Report in the QDX module. The secure report is then transferred back into the SAP system. Thanks to an integrated workflow with a multi-step dunning system, the solution rate for complaints increased

supplier can see their performance report with included data history in the portal. This system allows the suppliers to improve their own performance and to increase the quality of their products. The prompt defect reports decrease the supplier's reaction time, which has a positive effect on Windmüller & Hölscher's delivery reliability. Every two years, the high-tech mechanical engineering company also adds available key figures regarding relevant soft

facts, such as flexibility and competence. The catalog of questions, as well as the weighting of internal supplier ratings, can then be generated individually. The complex evaluation and direction of action points for performance improvement, made possible by JAGGAER, offer Windmüller & Hölscher a different image of their suppliers. JAGGAER created a central database and information pool that offers a valuable framework for decision making within supply base management and purchasing without doubled entries. Windmüller & Hölscher used the eSolution to optimize their purchasing processes; from supplier registration, to supplier evaluation, and, finally, to the phasing out process of suppliers who underperform. The next development step is coming soon: Purchase Order Management (POM) as part of JAGGAER's SCM portal will become part of the company's in-house development.

## JOIN THE CONVERSATION

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### USA

+1.919.659.2600

[sales@jaggaer.com](mailto:sales@jaggaer.com)

### EUROPE

+43.1.80.490.80

[dach\\_sales@jaggaer.com](mailto:dach_sales@jaggaer.com)



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