



## ZEISS: Focusing on the Supply Chain

### Vertical

Manufacturing

### Featured Product Families

- Category Management
- Sourcing
- Supply Chain Collaboration
- Supplier Intelligence

### Other Owned Product Families

- Contracts
- eProcurement
- JAGGAER One Platform

### About Carl Zeiss AG

The name ZEISS represents the highest quality, precision, and innovation. This is reiterated through the product portfolio and company processes. Speed, consistency, and process security in the supply chain are critical, which is why the ZEISS Corporation completely re-structured their global procurement processes from the supplier to the customer. This ambitious project began in 2007 with the goal of creating a cross-departmental network of processes for all locations that would use internal and foreign IT systems from high performance partners.

### The Challenge

ZEISS is a market leader within many of the company’s fields, and offers a wide range of technologically sophisticated applications. This level of complexity is also reflected in the sourcing spectrum, which is why Purchasing plays a vital role in the success of ambitious, technologically driven projects. ZEISS’s supply chain begins with the suppliers and ends with the final customer after going through a series of internal processes. This is why ZEISS opted for a companywide logistics project that would focus on implementing a solution that would extend across departments and locations. The six company branches and the 13 strategic business units are largely autonomous, which required a balance within in the analysis phase between autonomy and commonalities. The processes also had to be as flexible as possible to maintain the company’s competitive edge in such a dynamic market environment.

### Why JAGGAER

JAGGAER One is an intelligent source-to-pay and supplier collaboration platform, and the catalyst for enhancing human decision-making to accelerate business outcomes. Carl Zeiss leveraged JAGGAER’s Supplier Intelligence, a comprehensive view of supplier performance and risks that enhances relationships, seizes innovation opportunities, and proactively addresses risks with intuitive insights.

**“We do not limit collaboration with suppliers to data exchange or sourcing-related logistics, but rather searches for new ways to increase the value of all collaboration partners.”**

Lothar Färber, Vice President, Procurement, Zeiss



## The Solution

ZEISS chose to work with the solution partner JAGGAER to assist them with communication with suppliers and to relieve the Purchasing Department. Global sourcing logistics, received goods, and eSourcing were improved and reengineered over four project phases, thereby covering the entire supply chain.

In the first phase, ZEISS concentrated on global operative purchasing, which is a classic weak link in the supply chain. Purchasing at ZEISS runs through the purchase order and confirmation processes all the way up to the delivery of goods using the new eSolution.

Purchase orders are automatically taken from SAP and transferred to JAGGAER, where they are made available to the supplier. The order confirmation is created on the portal and sent back to SAP or directly transmitted via EDI.

The fully automated and thus simplified communication from JAGGAER with third-party systems contributes to reductions

in process costs for each order. Each process is documented on one central platform, which means that buyers can rest assured that the purchase orders are forwarded correctly and on time. Around 30% of the ordering volume within Europe is completed using JAGGAER. The shorter processing times and the increased quality of results allow Purchasing to focus on more strategy-based topics. WebEDI's used for delivery schedules, advanced shipping notes, and VMI also resulted in increased efficiency in the goods receipt process. JAGGAER's VMI module allows stock inventories, upper and lower limits, as well as demands to be exchanged between SAP and the supplier via the online portal. Based on ZEISS's current stock inventory and forecasts, the supplier can independently direct deliveries and optimize production quantities, transport quantities and delivery deadlines. They can also use this information to adjust production cycles to match ZEISS's delivery schedules.

Delivery and cumulative received quantities, such as transit quantities, are transferred directly from the SAP

system. The seamless documentation of all processes and the availability of data on one central platform offer new information and controlling options.

## Collaborative Processes

ZEISS does not limit collaboration with suppliers to data exchange or sourcing-related logistics, but rather searches for new ways to increase the value of all collaboration partners. This is why subsequent project phases expanded the supply base portal to include solutions for eSourcing and strategic supply base management based on ZEISS's specific category structure,

as well as processes at intersection points with Quality Management. In order to allow for the pooling of demands and to create the foundation for global category management, eClass was introduced as the standardized commodity structure for the entire company. This paved the way for implementing JAGGAER's concept, which would reduce ZEISS's costs significantly over the next several years.

## GOALS Reached with JAGGAER

- Highly efficient processes along the entire supply chain
- Relieve Purchasing of manual delivery management
- Shorter processing times and improved results
- Track order status and item delivery in real time
- Reduced processing costs for each order thanks to WebEDI integration
- Strategic supply base management based on specific category structure

