

Teamcenter for supplier relationship management: strategic sourcing

Siemens PLM Software

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A portfolio of configurable strategic sourcing solutions that enables sourcing professionals to become an integral part of all product lifecycle stages.

TEAMCENTER

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In today's economy, your company is faced with intense pressure to increase top-line revenue growth, while reducing overall product costs.

To meet these business challenges many companies have shifted more of their product development, component assembly and inventory requirements to their supply chain, increasing supplier dependency to respond quickly and cost effectively to product changes and customer requests.

This increased reliance on suppliers has placed sourcing and procurement teams in the critical path of product development and time-to-market. The need for design, engineering, procurement and suppliers to collaborate effectively has never been more important. A rapidly changing competitive landscape, globalization and low cost country sourcing are all factors that can challenge your organization's efforts to deliver products to the market faster while still meeting cost targets.

Sourcing departments can no longer rely on yesterday's tools – emails, spreadsheets and disparate corporate databases to execute their critical tasks. In response, companies are racing to shift away from chaotic tactical sourcing activities and move toward a more strategic approach to sourcing which maximizes productivity and accuracy, while engaging suppliers earlier to design the cost out of products. Recent studies indicate involving procurement and suppliers at design inception and development can result in cost reductions of nearly 18 percent compared to companies delaying such collaboration. Early involvement of procurement in new product development can also yield up to 20 percent improvements in time-to-market cycles. Procurement and supplier collaboration in later product lifecycle stages make it possible to continue to reduce production costs, facilitate part re-use, maintain competitive advantage and extend the economic product lifecycle.

To address these issues Siemens PLM Software offers Teamcenter® software for SRM – a portfolio of configurable strategic sourcing solutions that leverages the impact of Teamcenter, the world's most comprehensive set of product lifecycle management (PLM) capabilities. Siemens' impressive experience crosses a client base of 47,000 customers including highly respected companies in the aerospace, defense, consumer package goods, automotive, health care, high tech and electronics industries.

Introducing Teamcenter for SRM

Teamcenter for SRM is a fully-integrated web-based solution that transforms the strategic sourcing process to enable complete sharing of data internally and across the extended enterprise. This suite of leading-edge sourcing technologies shortens the design process allowing companies to release new products quickly and cost-effectively.

Is this your strategic product sourcing vision?

Teamcenter for SRM accelerates your company's ability to adopt and deploy an efficient design to source process.

Teamcenter for SRM provides modular and highly scalable solutions that enable enterprises to address their highest business priorities first. Organizations can deploy Teamcenter for SRM one step at a time, a phased approach to ensure a rapid return on investment.

Teamcenter for SRM is part of Teamcenter's larger portfolio of digital lifecycle management solutions. Enterprises that own product responsibility from concept to end-of-life disposition can leverage Teamcenter to manage their entire product lifecycle.

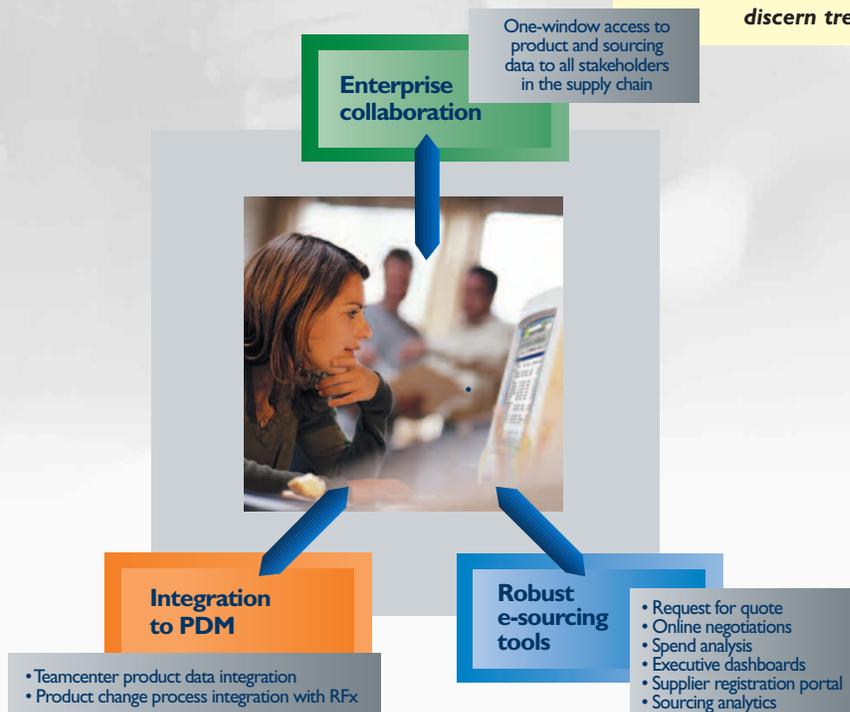
Teamcenter for SRM:

- ▶ Provides a direct and efficient connection between product development, procurement and suppliers
- ▶ Merges the best of e-sourcing, supplier analytics and PLM capability in an integrated suite
- ▶ Involves procurement in the post-launch engineering change process to ensure hard earned savings don't vanish

The Teamcenter for SRM advantage

Teamcenter for SRM combines:

- ▶ **Robust e-sourcing productivity tools**
- ▶ **Product data management integration**
- ▶ **Real-time collaboration to provide a one-window portal to product and sourcing data throughout the supply chain**
- ▶ **Configurable reporting and visual analytic tools that examine sourcing information to discern trends and measure performance**



Teamcenter for SRM's business value

Strategic sourcing for competitive advantage

Product sourcing is not a downstream, transaction-based procurement function. It's a strategic activity that builds product differentiation by integrally linking sourcing to the product lifecycle process.

Making this transition requires a robust enterprise-caliber system. Yet many commercial stand-alone e-sourcing solutions operate in relative isolation from other enterprise applications. Sourcing applications from large ERP vendors focus on integration – but only to downstream ERP and financial data. They largely ignore the importance of product data.

Teamcenter for SRM unites teams in a single collaborative environment. Product and sourcing data can be readily accessed, and product development change processes can be linked to accelerate the sourcing process.

Delivering tangible value

Teamcenter for SRM transforms sourcing activities into a strategic sourcing machine that results in reduced direct and indirect costs ultimately improving the top and bottom line performance.

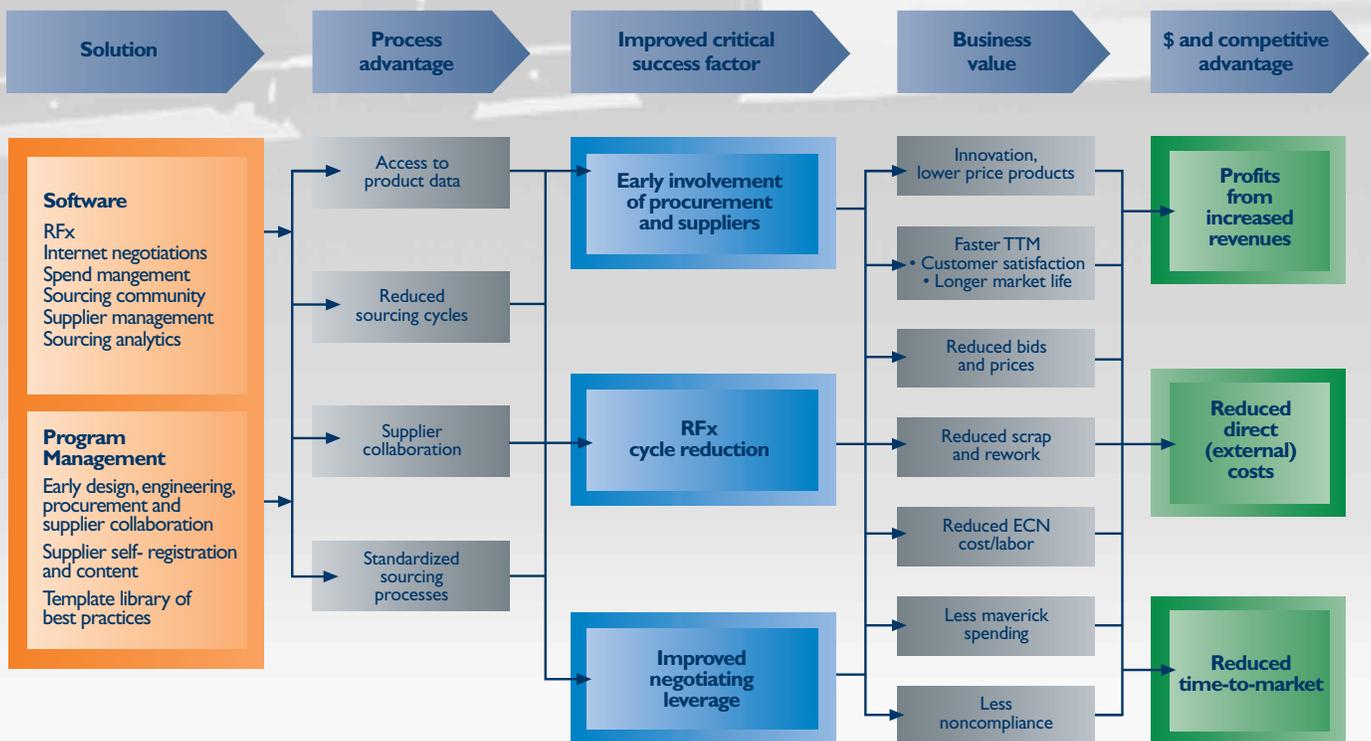
Teamcenter for SRM helps:

- Increase sourcing productivity by allowing more time for strategic pursuits and reducing the time spent on tactical activities
- Improve response time and accuracy by integrating product BOM and sourcing data while accelerating your ability to evaluate supplier responses and proposals
- Enable early procurement and supplier interaction through real-time collaboration and workflow both in new product design as well as product changes, to help design cost out of products while increasing innovation
- Capture repeatable and measurable best practices for re-use



Teamcenter for SRM benefits:

- ▶ Increased Innovation – incorporate supply chain knowledge to enhance new product development
- ▶ Faster time-to-market – reduce new product development and introduction (NPDI) time
- ▶ Reduced product costs – collaborate with suppliers to design the cost out of products
- ▶ Reduced sourcing administration – simplify the complexity of managing an extended supply chain
- ▶ Improved negotiating leverage – price transparency leads to lower material and service prices
- ▶ Reduced sourcing cycles – bid template library, robust analytics and bid optimization tool accelerate the supplier response and evaluation process
- ▶ Fewer sourcing-related engineering change notices (ECNs) – integration with PDM and early involvement in new product development and introduction reduces the number of ECNs



The integration of Teamcenter with our robust sourcing suite increases collaboration with suppliers, improves negotiating leverage and reduces time-to-market. The results are simultaneous improvement to the top and bottom line while achieving a competitive advantage.

Robust e-sourcing: improving sourcing productivity

Designed for complex manufactured products

Teamcenter for SRM is aimed directly at organizations faced with escalating volume and complexity of sourcing activity typical in most manufacturing companies.

Each module of the Teamcenter for SRM suite addresses a need in the strategic sourcing process.

A “community workbench” directly addresses the need for a repository to capture sourcing information, provide document workflow and manage sourcing project teams that may be geographically dispersed. These web-based tools provide for the capture and re-use of all the knowledge and information gained during a sourcing effort. The workbench tools enable users to configure their individual desktop to deliver data in a way that allows them to see and analyze data like never before. In addition the community workbench provides an enterprise-wide communication tool used to inform and educate your employees on supplier agreements.

Rapid sourcing

The Teamcenter for SRM RFx and Sourcing Survey application replaces the traditionally repetitive, paper-based processes with a web-based solution that streamlines and standardizes the data collection and analysis process. Whether used to issue an RFI, RFP, RFQ or market survey, Teamcenter for SRM delivers the capability to obtain critical sourcing information, proposals and quotes from multiple vendors. Teamcenter for SRM RFx can be used to capture and analyze supplier and pricing data required to enable product development and sourcing team collaboration.

Integrated with other Teamcenter solutions, Teamcenter for SRM allows a bill of material (BOM) to populate the RFP, increasing sourcing accuracy while improving time-to-market cycles. When coupled with the optimization tool, RFx provides scenario modeling for addressing advanced sourcing problems. Decision analysis can be built around multiple supply constraints and supplier models. Procurement professionals and sourcing teams are freed from administrative details, giving them more time to focus on negotiations and important strategic issues.

Negotiate online

The Teamcenter for SRM Internet Negotiations application enables both downward and upward auction events that let sourcing teams bring the entire negotiation process online for virtually any good or service. Online auctions can be a valuable component in the overall sourcing strategy by providing price transparency and analysis capability that can easily be scaled to extend to global suppliers. The result: dramatically reduced sourcing cycle times, increased savings and more informed, equitable buying decisions.



Spend Management makes it easy to understand and optimize your direct product spend to reduce cost.

Accurately track and control spending

The Teamcenter for SRM Spend Management application enables procurement professionals to understand how their company truly purchases by consolidating data from an enterprise's existing systems into common spend categories and appropriate corporate hierarchies. The solution provides highly reliable organization-wide spend data which is a critical first step in effective analysis and sourcing. The result: improved spend tracking to identify sourcing opportunities, rapid execution of sourcing projects, increased negotiating leverage and realization of negotiated savings.

Manage and evaluate suppliers

Teamcenter for SRM Supplier Management enables identifying, engaging and evaluating your suppliers including supplier self-registration. Sourcing teams have access to supplier information that is critical in the decision making process. Suppliers provide information sourcing teams need during self-registration and record maintenance. The information ranges from contact and general financial information to specific capacity/capability information. Supplier data may be searched along dimensions including a client-specific sourcing tree. The solution provides for supplier assessment, status setting and monitoring.



Real-time collaboration: enabling early supplier involvement

Most sourcing solutions focus only on the administrative side of procurement. They are stuck in the traditional sourcing sandbox that is designed to address the supplier's margins but not go after the big win: reducing product cost.

Attack cost early

The most productive method of attacking product cost is to design it out in the first place – through effective early collaboration between design and manufacturing disciplines.

However in a globally competitive environment product insight may lie on the other side of the firewall – in supplier companies stretched all around the world. Supplier collaboration with design and procurement is not an option with traditional sourcing solutions.

Engaging sourcing as part of the product team

Teamcenter for SRM helps break down the barriers between design, engineer, procurement and suppliers. This allows sourcing professionals to play a critical role in understanding the trade-offs such as supply stability, logistics, supplier performance, quality performance and component obsolescence.

One-window access

Teamcenter for SRM unites sourcing, engineering and procurement teams with a unified, one-window access to product and sourcing information. It captures all of the knowledge and information gained during a sourcing effort to reduce negotiation time and implement supplier contracts.

Based on the Microsoft platform and Microsoft SharePoint services, Teamcenter for SRM's collaboration environment is easily extended to every user desktop. Every entitled user in your supply chain can access and use a single source of product lifecycle knowledge from their desktop without engaging in special training.

Teamcenter for SRM's real-time collaboration capabilities enable your supply chain to quickly join and fully collaborate with your development team in a real-time PLM community.

As a result your company reduces lost time and cost associated with incomplete communications and inaccessible information.



Teamcenter for SRM unites sourcing teams with engineering and the supply chain enabling early procurement involvement to design the cost out of products.

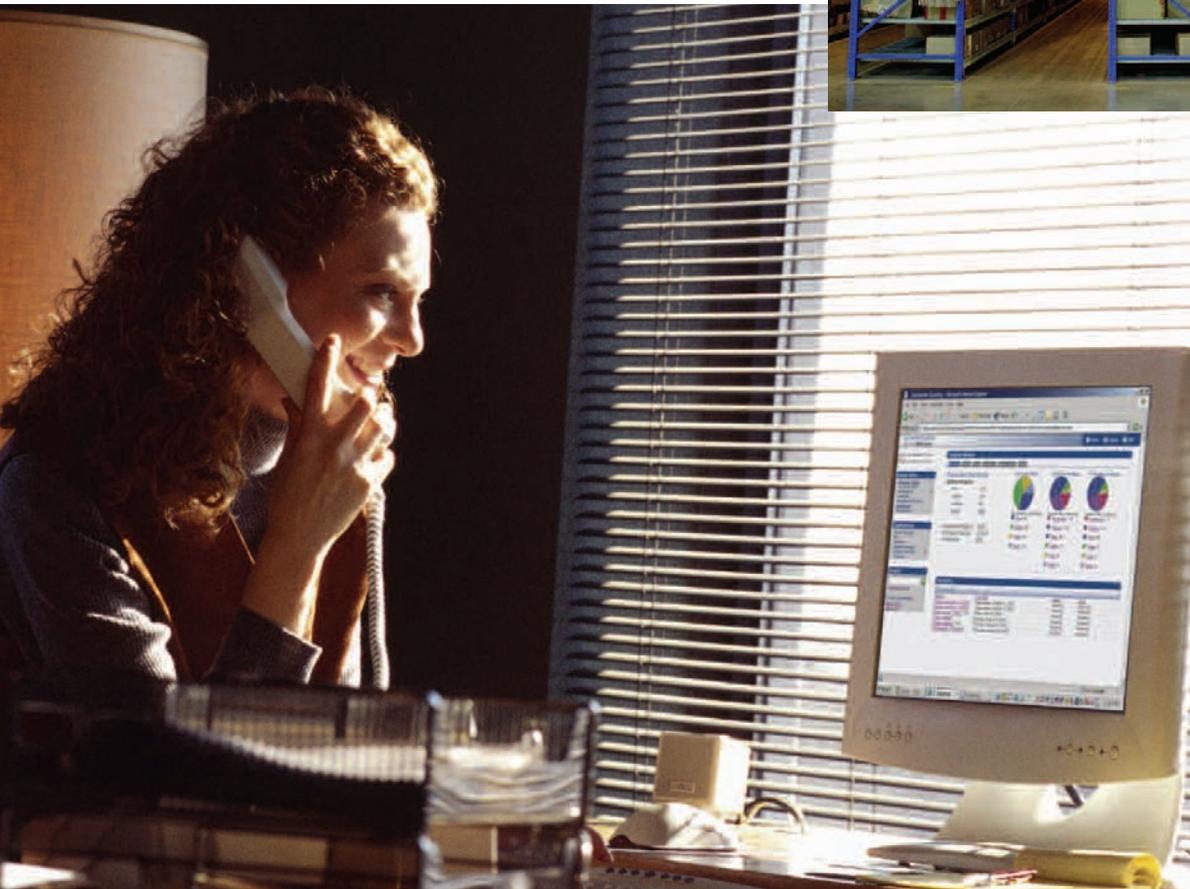
Real-time collaboration tools

Teamcenter for SRM Sourcing Community delivers unequaled access to collaboration tools including virtual conferencing, 3D visualization, CAD-based collaboration, document workflow, application sharing, personalized dashboards, scorecards and other interactive capabilities that allow engineering, procurement and suppliers to confer, brainstorm, exchange information and test innovative ideas all in real-time.

Dashboards and scorecards keep executives up-to-date

Teamcenter executive dashboards can be configured to allow sourcing managers and procurement executives to monitor project status, sourcing event status, spend, contract compliance and savings reports. Teamcenter for SRM provides configurable scorecards to enable leadership to discern trends and evaluate sourcing program performance. From eliminating maverick spending to leveraging purchasing power, data from multiple sources can be transformed into actionable information. Teamcenter delivers the capability to integrate supplier performance and sourcing information, providing a comprehensive analysis of your supply chain. By leveraging wizard-like tools, users can quickly define and generate reports in tabular and graphical formats. Reports can be predefined and ad hoc.

Like all of the Teamcenter for SRM components, dashboards and scorecards can be deployed through a web browser to minimize startup time and accelerate return on investment.



Integrated product and sourcing data: reduces the sourcing cycle and increases accuracy

Changes: a fact of life

If you're dealing with direct material sourcing in an integrated manufacturing industry, managing change and your ability to respond is at the center of your professional activity. Teamcenter-driven PLM solutions manage much of the intellectual capital that defines today's highly complex new product development and product change process. Teamcenter is uniquely positioned to link existing product and engineering data in today's global sourcing process.

In many companies, dealing with sourcing-related changes can take up to 80 percent or more of a sourcing professional's time. The number of changes is measured in tens of thousands. The cost of preparing and delivering bid packages and technical data is staggering. The cost of suppliers receiving data late and building products with incomplete or inaccurate information or specifications is even greater.

From months to days

In these environments Teamcenter for SRM can compress the cycle time to execute sourcing-related product change notices from months to weeks – or even days. Because it also attacks changes at the source, Teamcenter for SRM can also enable organizations to reduce the number of changes as well.



Teamcenter for SRM provides one-window access to sourcing and product information to increase RFX response time and accuracy.

Deep knowledge of product data

The issue of attacking product change notices requires access to product data. Most e-sourcing solutions can't deliver you to the heart of the sourcing challenge – product data stored in your PDM system.

Product data – materials, geometry, manufacturing process, tooling, tolerances, quality – and its structure are too complex for most sourcing applications to store much less manage.

Reconfiguring product and engineering data into a procurement-centric format requires deep domain knowledge of product data – available only from an e-sourcing vendor that specializes in delivering product data to the enterprise.

Teamcenter for SRM emphasizes delivering product data to three critical elements of the change process: change impact analysis, RFQ preparation and RFQ response.

Understand the impact of changes

When changes do happen, their effect ripples – rapidly. It impacts inventory, new products under development, products that use the parts to be changed and parts that mate with the affected part.

Evaluating the effectivity and impact of a change consumes a significant chunk of the change cycle.

With easy access to detailed product data in the PDM system, the sourcing team gains a clear understanding of where a part is used and the aggregate effects of a change – before deciding how and whether to implement a change.

RFQ preparation

Teamcenter for SRM helps break down the silo barriers between engineering and sourcing by tying the engineering change management process to the sourcing process.

Through this integration, product information is directly delivered to sourcing teams as part of the bill of material, for utilization in bid package preparation.

Sourcing professionals prepare bid packages using commodity templates, which are populated with product data that can be accessed directly from the PDM system.



Teamcenter for SRM provides procurement professionals rapid access to product data, incorporating BOMs, math models and relevant specs to accelerate new product development or capture additional value during negotiating activity.

RFQ response

Approved bid packages are posted in a secure environment for vendor access. By providing the data in a consistent format, evaluation time is reduced. Bid packages and responses are archived to capture best practices and for future re-use.

Sourcing professionals can monitor bid activity throughout the sourcing process. If suppliers have questions, sourcing professionals can easily post answers, updates and corrections without delaying the process.

A comprehensive solution

Teamcenter for SRM helps you fulfill this strategic vision by enabling your product sourcing team to:

Track spending across programs and regions to target sourcing opportunities, analyze spending and leverage purchasing power

Plan sourcing strategies based on access to sourcing history and supplier performance

Assess the impact of changes and sourcing requests on existing parts

Develop and manage complete information packages and request for quote, bid, proposal using commodity-based templates

Route product sourcing documents for timely evaluation, feedback and electronic approval

Exchange detailed product data, BOMs, RFxs and responses with suppliers

Post clarifications to questions and provide a consistent format for replying to sourcing requests

Evaluate status of sourcing events and intervene as necessary

Analyze and compare supplier responses including a bid optimization engine for complex constraint analysis

Negotiate online to increase price transparency and reduce sourcing cycles

Collaborate between engineering, sourcing and suppliers to evaluate new designs and avoid cost and manufacturing-driven changes

Inform management of critical program status via executive dashboards

Monitor contract compliance and off-contract “maverick” spending

Register new suppliers to evaluate capability and include in future design and sourcing events

About Siemens PLM Software

Siemens PLM Software, a business unit of the Siemens Industry Automation Division, is a leading global provider of product lifecycle management (PLM) software and services with nearly six million licensed seats and 56,000 customers worldwide. Headquartered in Plano, Texas, Siemens PLM Software works collaboratively with companies to deliver open solutions that help them turn more ideas into successful products. For more information on Siemens PLM Software products and services, visit www.siemens.com/plm.

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