

Siemens PLM Software

Teamcenter direct materials sourcing

Decrease costs by extending purchasing influence throughout the product lifecycle

Benefits

- Provides an understanding of cost drivers early in the product development cycle
- Shortens sourcing cycle time by facilitating efficient, secure information exchange with respondents
- Delivers streamlined, round-trip sourcing integrated with product development processes such as NPI, ECR and ECN
- Provides cloud-ready environment option for easy deployment with multi-tenancy capabilities to reduce administrative overhead
- Provides an intuitive supplier portal to minimize training costs

Summary

The Teamcenter® software direct materials sourcing solution empowers companies to efficiently manage the sourcing process with their supply chains. The Teamcenter platform provides a single source of data and enables you to streamline sourcing processes across the extended enterprise. The result is lower product costs and faster time-to-market.

The challenge

Competitive pressures are motivating companies to deliver value-driven products at lower prices and an accelerated pace. To address these pressures, companies recognize the need to leverage the expertise, knowledge and innovation of their supply chain. As a result, a large portion of products today are made with supplied parts. This means that suppliers have a significant impact on the ability of an original equipment manufacturer (OEM) to respond to reduced time-to-market requirements and intensified cost reduction demands.

Cost reduction leaders recognize the value of early collaboration, both internally with other business functions, such as engineering, quality and manufacturing, and externally with suppliers. Without early collaboration, sourcing strategies are limited to cost containment techniques such as consolidating suppliers, combining volumes across plants and developing new suppliers in emerging markets. Cost containment techniques are indeed essential, but the purchasing function must grow beyond its transactional origins and proactively engage with key functional stakeholders throughout the product lifecycle if true cost reduction and accelerated time-to-market are to be achieved.

For many companies, the biggest roadblock to early collaboration is finding a way to automate and streamline processes, such as direct materials sourcing, which is intertwined with other product development processes, such as new product introduction (NPI) and change management.

Teamcenter direct materials sourcing



With Teamcenter direct materials sourcing, you can extend the influence of purchasing within your organization by closely linking its activities with product developers and other functional groups. This opens up the door to more strategic opportunities to cut costs. Shared processes can be streamlined and specifications can be harmonized, enabling part standardization and re-use, and value analysis can be applied to yield cost-saving-specification improvements.

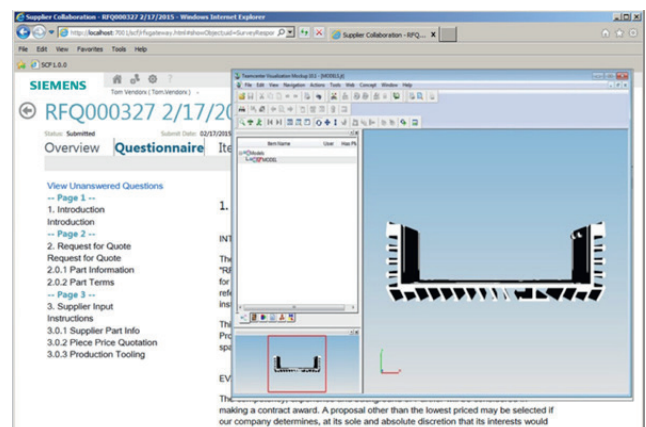
A compelling solution

Teamcenter helps you move from rudimentary sourcing methods, such as paper-intensive procedures and cumbersome data collection and analysis techniques, by providing a rich platform to digitally manage your entire sourcing process. This enables you to engage with key stakeholders early on, such as purchasing, design, engineering and manufacturing, and throughout the product lifecycle. Teamcenter enables you to streamline your direct materials sourcing process with key capabilities, including: bid event creation, notification to suppliers, control processes for event management, inclusion of part and reference information, a supplier web portal for receiving bid requests and submitting bid proposals, automatic tracking and communication, detailed cost breakdowns, bid analysis and award nominations. With Teamcenter direct materials sourcing, your procurement professionals and sourcing teams are freed from manual administrative details, giving them more time to focus on strategic issues that foster effective decision making and cost savings.

Sourcing managers that use Teamcenter create events for bid requests that include part

specifications, reference data and instructions for specified respondents to view and download. Respondents can receive and access these bid requests generated from Teamcenter using an intuitive and secure supplier web portal. Respondents use the supplier portal to enter bid information and submit their responses to the OEM sponsor for bid analysis. Sourcing managers can conduct multi-round dynamic negotiations with respondents to refine responses. Response analysis is simplified through the use of both standard reports that provide savings estimates, and side-by-side comparisons of questions that facilitate evaluation at the question level as well as assessment against other user-defined criteria. Selected suppliers receive awards and are sent award nominations. All of the bid and award information is managed in Teamcenter in context with the product structure. Tracking reports, supplier status and monitoring are also available in Teamcenter to provide complete process visibility.

Direct materials sourcing is a cloud-ready solution based on the Teamcenter product lifecycle management (PLM) framework. All of the communication between Teamcenter sponsors and their offline respondents can be performed using Teamcenter and an easy-to-use HTML5 web-based supplier portal. Additional supplier collaboration solutions that leverage this same framework include design data exchange and supplier program management.



Key capabilities

Secure, intuitive platform

- Affords a rich platform as an essential component of Teamcenter to digitally manage your sourcing process
- Establishes the highest level of secure communications between OEM sponsor and respondents
- Provides an intuitive web portal that enables respondents to receive requests and respond to them
- Leverages the supplier collaboration foundation that also supports design data exchange and supplier program management use cases
- Populates the bill-of-materials (BOM) with supplier pricing data
- Provides a cloud-ready deployment option with secure partitioning of event data to support units in decentralized environments

Intuitive, comprehensive event builder

- Advanced event functionality that allows you to collect complex respondent data for each item down to the component level
- Detailed cost breakdowns related to material, labor, or tooling used by the supplier in the manufacturing of the part
- Scenario modeling for advanced sourcing problems when coupled with an optimization engine
- Flexible, customizable format for data collection that supports all question types, from simple text to multiple choice to complex pricing matrices
- Attach files to posted events, such as specification documents, computer-aided design (CAD) and computer-aided manufacturing (CAM) files, for respondent review

- Library functionality for storing templates, sections, pricing tables and best-in-class requests for proposals (RFPs) for copy and re-use

- Collaborative development of RFPs and surveys among assigned buyers
- Multi-currency options, multi-language capability and custom time zone display

Streamlined communications and event management

- Real-time environment that immediately and securely captures responses
- Multi-round negotiations while leveraging a history of previous submissions
- Automatically initiates respondent communications in conjunction with predefined and user-defined events, as well as message board postings that include RFP-specific questions and answers

- Tracking reports that display RFP completion levels and other participation details

Automated analysis and evaluation

- Powerful analytic tools to monitor and measure results, including side-by-side comparison reports of responses, multi-round analyses, supplier cost breakdown analyses, total cost and savings calculations, bid optimizations and data export capabilities
- Evaluation of responses at the question level, as well as frameworks based on user-defined attributes and weighting
- Facilitates administrative level management and reporting on activity and results



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