

INTERSHOP™

Success Story



Coordinated purchasing, greater transparency, and pooling of purchasing volumes to reduce procurement costs—those are the objectives behind the MAN2B online procurement platform. Since the start of 2003, engineering company MAN has used the MAN2B platform to aggregate its entire ordering and purchasing transactions. The software behind the platform is Enfinity Suite 6 from Intershop Communications.

The MAN Group is one of Europe's leading players in the commercial vehicle, engineering, and industrial equipment sectors, with over 64,000 employees and revenues totaling some 15 billion euros. The international market accounts for around 70 percent of sales, while total purchasing expenditure for the Group amounted to approximately 8 billion euros in 2003.

The transparency created by an online system can be leveraged to achieve savings, and there is no doubt that the strategy has worked for MAN: The gradual migration of all procurement activity to the MAN2B platform has already delivered a significant reduction in process costs and total spending. Phase 1, at the start of 2003, saw catalog management for so-called C items installed. These low-cost, routine items include office supplies, software and hardware, electrical and electronic components, tools, protective clothing/equipment, MRO items, cleaning products, lab supplies, and workshop equipment. A further milestone was reached in October 2004, when an RFQ tool was incorporated into MAN2B to meet more complex procurement needs.

"MAN has a reputation for cutting-edge technology and innovation, as well as quality leadership. An efficient working relationship with our suppliers is an essential part of that identity," explains Stefan Störig, who is responsible for coordinating IT policy across the MAN Group. "The flexibility and modularity of Intershop's Enfinity Suite 6 enabled us to quickly and easily realize the project."

Coordinated purchasing brings benefits
MAN teamed with Intershop and Softlab to develop the original MAN2B platform, following detailed consultation between IT and senior purchasing staff. The combined insights into technical processes and practical requirements delivered genuine synergy, leading to reduced transaction costs. One example is centralized catalog management, with suppliers taking responsibility for updating. The system provides a full range of functions for creating, updating, and importing catalogs, as well as managing product data. At the heart of the solution is an integration platform that unites the various different ERP solutions used within the MAN Group and communicates with suppliers via standards such as XML and EDI.



Key business benefits

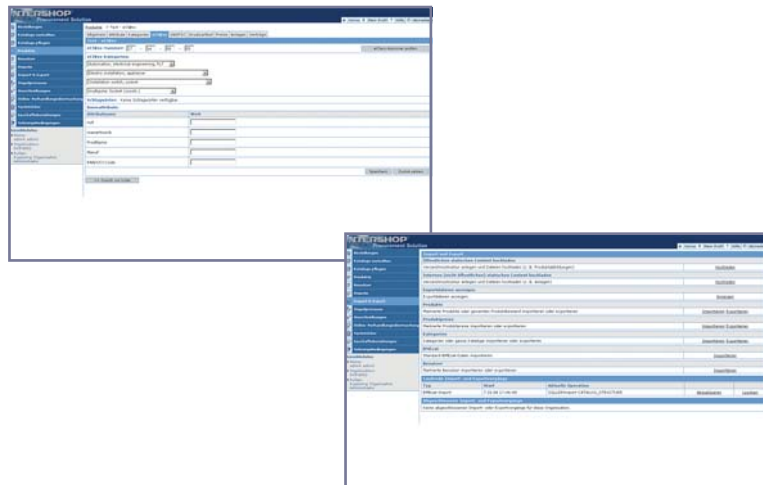
- Greater transparency with regard to materials purchased, as well as volumes and prices
- Accelerated procurement process
- Better use of Group-wide global agreements
- Lower prices through online RFQs/auctions for suppliers



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Transparency for purchasing staff

But back to the practical side of things. Although the individual companies within the MAN Group enjoy operational freedom, many of their activities are networked. MAN2B allows purchasing staff to compare catalogs from different manufacturers and put together the relevant products for “their” employees. Additional information such as images and specs are included in the catalogs. Budgets and spending limits can be defined separately for individual groups of employees. Since all processing takes place electronically, employees can track the status of their order at any time and receive an e-mail when the goods are shipped.



Auctions and RFQs at MAN

In February 2004, work started on an RFQ platform to complement the auction functionality, with the project being successfully completed in September 2004. Selected suppliers can now access an RFQ system with a core set of functions. The purchaser fills in a template with details of the product specification for the planned RFQ, together with information on the duration of the RFQ, a general description, and contractual requirements. Now it’s the suppliers turn. They are notified by e-mail and submit their offers online within a defined period. Unlike eBay, the lowest bid wins, rather than the highest.

“Our extensive experience of Enfinity software radically reduced the time needed to define and implement the functionality for the new solution,” adds Störig.

Software:
Enfinity Suite 6

Business model:
E-procurement

Industry:
Commercial vehicles, engineering and industrial equipment

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