



Supplier Management

MINIMIZE Procurement Costs

ADEXA GIVES YOU NEW INSIGHT AND CONTROL:

- Cost of goods sold
- Days in inventory
- Days sales outstanding
- Fixed asset utilization
- Revenue growth
- Selling, general, and administrative
- Forecast, lead time, and count accuracy for raw materials
- Direct material cost
- Order to invoice lead time
- Fulfillment accuracy
- Order fill rate
- Plant utilization
- Inventory write-offs
- Manufacturing equipment utilization

THE CHALLENGES YOU FACE

It's a truism in manufacturing -- you're only as good as your suppliers. But how can you more rapidly communicate and collaborate with suppliers and monitor their performance? You may also require visibility into direct material purchases through contract manufacturers -- to ensure terms, conditions, specs, and quality are correct and on time. With a multi-tier supply chain, it can be almost impossible.

In the multi-tier extended enterprise, each member company is an independently operating entity, but each one needs to collaborate with the others to meet common demand. The Original Equipment Manufacturer (OEM) is severely impacted by the responsiveness and effectiveness of its suppliers and contract manufacturers, and solely accountable for customer service. To protect itself, the OEM needs the ability to manage supply chain processes beyond its four walls. The objectives are the same as they were with first-generation SCP systems: reduce inventory, improve on time performance, increase customer service, eliminate costly shortages and remove obsolete inventory from the system. But today, the data is housed in disparate systems located anywhere in the world. It's quite common for a contract manufacturer to purchase components for an order, oblivious to the fact that the OEM has an oversupply of those same components, which are used for similar product lines.

To stay on top of your extended enterprise manufacturing operations, you need to know capacity and inventory levels at every step along the way -- especially before materials and components reach your receiving dock. This is particularly true for companies that experience rapid product cycles, want to institute vendor managed inventory (VMI) processes, and companies that are vulnerable to inventory obsolescence. Expedited supply lead times, shortage avoidance, and quality control are just a few of the essential requirements for controlling these supply chains.

THE ADEXA SOLUTION FOR SUPPLIER MANAGEMENT

In response, Adexa offers a real-time collaborative solution to manage and accelerate the entire manufacturer/supplier relationship. This stretches far beyond traditional VMI to include all types of replenishment models, including Kanban and others. By streamlining the procurement process among suppliers at every stage, Adexa compresses the purchasing cycle and gives you full visibility into the order execution process in an outsourced manufacturing environment.

In addition, Adexa supports the logistics function through the ability to integrate with third-party systems, and acts as the communication mechanism to ensure that the buyer and seller are always up to date on status and locations of materials. Only Adexa facilitates automatic generation and reconciling of invoices, generation of ASN and related shipping documents, retrieval of ECN-related documents, and more.

THE ADEXA VALUE PROPOSITION

Only Adexa gives you a unified environment where demand signals automatically propagate through multiple supply-chain tiers based on your sourcing rules and bill of materials. That helps you reduce raw material and component inventories (and risk of obsolescence) and lower purchasing prices as well.

Your purchasing lead times are shorter, communications are clearer and faster,

- Control the procurement process in an outsourced manufacturing environment
- Shorter purchasing lead times
- Improved visibility into purchase order status
- Optimize sourcing of components and raw materials
- Reduce raw material inventory levels
- Communicate production issues to suppliers in a timely manner
- Streamline supplier communication and management
- Create real-time visibility into supplier availability and capacity
- Integrate procurement functions with other enterprise systems

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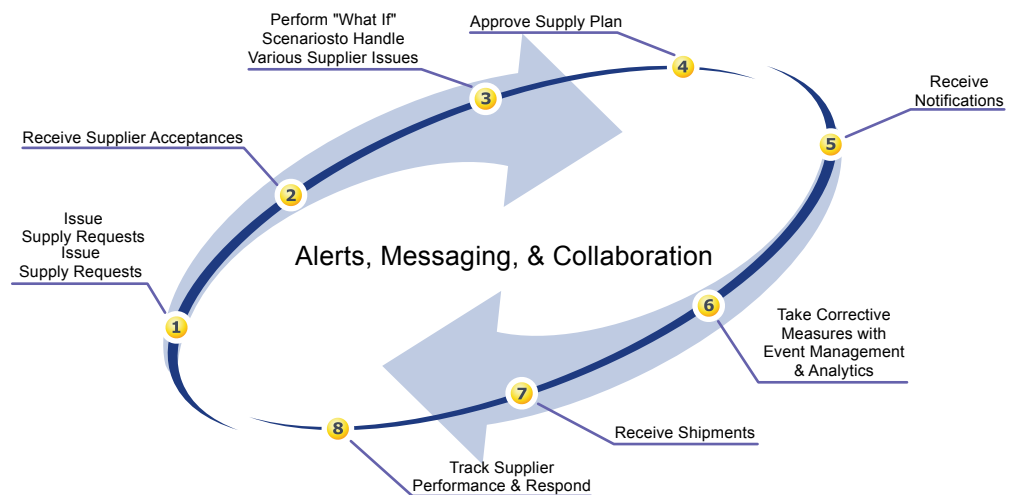
Europe

Germany

Asia

Japan
South Korea
Taiwan

Figure 1. Supplier Management



Adexa delivers solutions that synchronize corporate planning with operations planning and execution on a local and enterprise level, to ensure all assets are utilized to achieve strategic objectives. This enables manufacturers to reduce the cost of goods sold, shorten lead-times for orders and reduce inventory costs with improved supply chain collaboration and management. Real Solutions...Measurable Results.

