



CONSUMER GOODS | SRM, SUPPLIER
SCORECARD DOCUMENT APPROVAL
EXCHANGE

New Flexibility in Document Management with Suppliers

Customer Profile

SEMIKRON is one of the leading international producers of power modules and systems. Their products form the heart of modern, energy-efficient motor drives and industrial automation systems. SEMIKRON is a family company based in Nuremburg, Germany, and was founded in 1951. Today, SEMIKRON has more than 2,800 employees worldwide in more than 30 locations. The international network of operative groups has production locations in Brazil, China, France, Germany, India, Italy, Korea, Slovakia, South Africa and the USA, ensuring that they are able to work closely with their clients.

Challenges

Document management in particular can slow down purchasing at companies like SEMIKRON that frequently order internationally, especially if many processes are still manual. They are generally time- and labor-intensive, and run the risk of sinking into opacity due to the numerous individual steps and coordination that they require. With purchases of up to 330 million euros, the company has 525 suppliers for production material and 8,400 suppliers for indirect material.

"With a single platform we can complete the majority of our document management flexibly with our suppliers. The perfect document handling guarantees smooth and legal procedures."

— Markus Fischer
Senior Manager Purchasing
Non-Production Material

In both the request and ordering process, there are many documents that are exchanged between SEMIKRON and their suppliers that must be handled carefully in order to ensure clean and legal procedures. This begins with the certificates that are required during the request process and also includes the proof of qualification documents when selecting a supplier, and the accompanying audit-proof document exchange during the ordering process for the desired components.

Solution

SEMIKRON selected JAGGAER's Document Approval Exchange (DAE) so that eventually most of the document management between the company and suppliers could be completed automatically on a single platform. With the help of the platform, suppliers are informed about any mandatory documents and they can confirm their content before they receive an order. This is essential for product liability and quality management. With this flexible document management, SEMIKRON can make changes at almost any time that can be seen instantly by all potential suppliers. The so-called DAE campaigns guarantee that all participating parties can complete all document exchanges that are part of the purchasing process, and that they have immediate access to the up-to-date status of these documents. Because even if just one mandatory document changes, this can lead to a series of follow-up processes, which previously would have delayed ordering and production. The central documentation of all changes to specifications, norms, and

certificates is very advantageous because everyone involved can access the updated documents, which shortens the response time.

Standardized Evaluation

Supplier evaluation, which used to be carried out separately at each of the ten international locations, and would therefore not be available to the company as a whole, has now been centralized with JAGGAER. SEMIKRON follows the principle of corporate evaluation and takes aspects such as the environment and quality management of a supplier into account just as much as health management, occupational safety and the code of conduct to which the company adheres. The supplier can update and maintain this information centrally so that Purchasing and Quality Management can view all of the relevant certificates and

Bottom Line Results

- Fast and easy coordination with suppliers
- No need to send large documents via e-mail
- Audit-proof documentation and easy data updates
- Automatic reminders when documents expire
- Guaranteed smooth and legal process procedures
- Company-wide uniform documentation standards

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documentation, thereby eliminating a great deal of work that would have been necessary before.

Pooled Communications

An additional advantage to the platform is the option to send several selected suppliers the same notification. The supply group can be defined individually. The supplier's response is then also documented. This is important if, for example, changes have been made to the packing instructions, or if proof of liability insurance is must be submitted. This eliminates the need to send multiple e-mails.

Integrating Suppliers

As helpful as the DAE solution from JAGGAER is, its usefulness depends on the supplier's willingness to work with it and the acceptance of the solution by suppliers depends on the benefits it offers them. SEMIKRON had to first centralized corporate purchasing organization. The goal is to integrate all suppliers of

production material as well as some service providers from other areas, such as Marketing or Facility Management. Even though locations in South Africa, the USA, Australia, and Korea may not be connected to the same system, JAGGAER will function as a central hub for information and strategic purchasing processes for the company.