

AT A GLANCE

Overview: Electronic RFQ and portal management system

Customer: Leading Global Auto Parts Manufacturer

Industry: Automotive

Customer Profile: Major supplier of products in the automotive industry, with over 34,000 people in 28 countries and sales of \$8.5 billion.

Key Challenge: Streamline buyer tasks in 150-plus locations worldwide managing 7,000-8,000 RFQs per month via different processes including manual, email, spreadsheets, faxes.

Aestiva's Solution: Aestiva RFQ, a browser-based e-RFX (RFP, RFQ, RFI) management system and portal.

Results:

- Dramatically increased buyers' RFX efficiency by replacing manual processes so buyers have more time focus on better purchase decisions.
- Increased global supply chain visibility

“What we were looking for first was a lot of flexibility for customization to be aligned with our matrix organization because we have shared service centers and commodity managers around the world. That’s exactly what Aestiva RFX allows us. Our e-procurement activities enabled by Aestiva’s RFQ product are reducing our costs, increasing productivity, and improving relationships with our suppliers. None of the other software products we looked at was as good a value as Aestiva RFQ.”

Director, Supply Chain Management, Global Automotive Parts Manufacturer

Top Global Auto Parts Manufacturer Streamlines its RFQ Process with *Aestiva RFQ*

SUPPLY CHAIN MANAGEMENT IN A COMPETITIVE GLOBAL MARKET

Fierce global competition in the automotive parts industry puts intense pressure on parts manufacturers to constantly improve their supply chain efficiency.

When a leading auto parts manufacturer decided to better manage its global purchasing with e-procurement technology, it turned to **Aestiva Software**.

THE E-PROCUREMENT CHALLENGE

The \$US 8.5 billion manufacturer's global supply chain management staff work in 150 offices worldwide and handle purchasing for 200 company factories. Before implementing **Aestiva RFQ**, the company's buyers managed 7,000 to 8,000 Request For Quotations (RFQs) per month using a combination of manual systems. Individual buying offices used different RFQ procedures and systems, making it unlikely that the organization was getting the best prices on a global scale.

RFQs could involve exchange of paper, faxes, emailed spreadsheets or combinations of these methods. Since the RFQ systems were not connected to each other, there was no viable way to share key supplier information with all purchasing teams. This impeded buyers' ability to identify potential savings. For example, a buyer in India would not know that the purchasing center in China could source the best parts at a lower price for a product.

The manufacturer decided to centralize its global supply chain management and use e-procurement technology to improve its operations. It decided to acquire an RFQ software system to streamline RFQ management, and give company buyers the same tools and platform globally.

As a multi-national firm, the manufacturer had a variety of ERP systems and its IT department was no stranger to major business software suppliers like SAP and Oracle. It had also tried e-sourcing products in the past and “not always had a good experience” with them according to the director of supply chain management. Other software products either lacked required features, or were too complex for buyers. This time, the company would require an RFQ management software with the necessary features and flexibility, but easy enough for buyers to use. The system would need to be powerful, affordable, and readily adopted by buyers.

THE AESTIVA RFQ SOLUTION

Based on its experience and extensive review of e-purchasing software options on the market, the manufacturer chose **Aestiva RFQ** as the best solution available. Not only does it manage the most complex scenarios using web spreadsheet technology, it is also easy for buyers and vendors to use. **Aestiva RFQ** is a buyer and supplier-accessible system for managing Request for Quotes and other kinds of supplier requests. The product streamlines buyer tasks and increases RFQ visibility, analytics, and controls.

Aestiva RFQ's analytics and reporting tools, automated email reminders, RFX archiving and other features give companies enterprise-wide visibility into purchasing so they can pinpoint cost savings opportunities and increase controls.

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IMPLEMENTATION	
Software	Aestiva RFQ Aestiva Array Engine
Server Hardware	Windows
Hardware User PCs	Windows, Linux, Mac
Number of Locations	165 worldwide
Number of Purchasing Users	350 user license
Number of Suppliers on Portal	1,200+
Implementation Partner Required	None
Deployment Time	under 30 days

THE RESULTS

Aestiva deployed the product in record time. **Aestiva RFQ** is now delivering valuable results including:

[More Buying Time](#)

Before **Aestiva RFQ**, the average RFQ transaction took two to three weeks. **Aestiva RFQ** has allowed the company to dramatically reduce its RFQ turnaround time to a matter of days. The manufacturer's purchasers are more productive with **Aestiva RFQ** because they can focus on strategic tasks and identifying cost-savings opportunities rather than getting tied up with RFQ paperwork tasks.

[Better Bids and Buyer Productivity](#)

Aestiva RFQ includes a supplier portal for exchanging RFQs and associated information between vendors and buyers via the web. The company can now deliver consistent communications to its suppliers using the RFX supplier portal. The solution has improved the quality and speed of information flow, collaboration, and buyers' basis for decision-making. "Now it's easier to go out for quotes on a global basis electronically, for example to suppliers in India, Mexico and Europe and for suppliers to respond," according to the manufacturer's director of supply chain management.

[Analytics, Reporting and Spend Visibility](#)

The company also enjoys more strategic control and transparency. Managers can now find detailed information from the thousands of RFQs issued each month. The analytic and reporting tools that come with the **Aestiva RFQ** standard product allow the company to more easily evaluate offers and make better purchasing choices. It can reduce off-contract or "maverick" spending while cutting cycle times for purchasing goods and services. For example, instead of useful information being "hidden" in a quote on a single buyer's desk in China, thanks to **Aestiva RFQ** the information is easily visible globally in the company to all who need to know. According to the director of supply chain management, "Without visibility into global prices, the company can fail to see potential savings for example in China or India, which could be spread across the organization globally."

[Buyer & Supplier Adoption-Friendly](#)

Some software vendors can hype add-on features like "reverse auctions" or end-to-end integration with ERP or accounting systems. The most important success factor in implementing an "e-RFX" software solution is "the flexibility of the software and acceptance by buyers and suppliers," says the company's director of supply chain management. He explains: "You're asking them to get into your system and submit a quote electronically while they usually have an Excel and mail or fax it to you. The easier the system is to use, the more likely it will succeed. The key challenge is getting the supplier to do the work for you as a buyer." If the software product is "too complex and not really user-friendly, the buyers' interest is very difficult to obtain," he adds.

Aestiva RFQ's intuitive point-and-click design with built-in spreadsheets makes for quick buyer acceptance and requires no supplier training. "The feedback from suppliers is it's pretty easy to do with **Aestiva RFQ**," according to the manufacturer's director of supply chain management.

[Web Spreadsheet Advantage](#)

Aestiva RFQ was the only software product the company found to deliver another key feature: web spreadsheet technology. With **Aestiva RFQ's** built-in browser-based spreadsheet technology, buyer and supplier spreadsheets are never "disconnected" from the system. This feature is particularly attractive "because our buyers are used to working with spreadsheets and **Aestiva RFQ** has web spreadsheet technology," says the manufacturer's supply chain director. "It's not a big step for buyers to start working with it." With traditional non-spreadsheet e-procurement software, buyers typically will revert to using spreadsheets outside of the RFQ software, especially when scenarios become complex.

Information that might not have been captured using traditional RFQ software is easily collected, tracked, and accessed for analysis with **Aestiva RFQ**. Buyers gain visibility into more savings opportunities than with traditional systems, while having an easier time doing so.

[Easy Deployment](#)

The manufacturer initially deployed **Aestiva RFQ** with 20 buyers in 10 sites across Europe and Asia. Within the first 20 days of installation, over 80 suppliers were active on the system using **Aestiva RFQ's** supplier portal. The completed global roll-out includes 150 sites.

Like all of **Aestiva Software** products, **Aestiva RFQ** is 100% browser-native and installed on standard servers. Authorized buyers and suppliers can easily join the system, no matter what kind of computer they have. Users access **Aestiva RFQ** software with any PC (Windows, Mac, Linux) with a browser connected to the server via the Internet or Intranet. They do not have to download and install PC software to participate in the RFQ portal as is the case with some e-procurement software systems. These benefits make even global deployment in an enterprise achievable with minimal IT resources. For example, with the company's initial roll-out, "the deployment time was very short," according to the manufacturer.

THE BOTTOM LINE - A SUCCESS STORY

Summing up the leading global manufacturer's experience with **Aestiva Software**, its director of supply chain management says, "None of the other software products we looked at was as good a value as **Aestiva RFQ**. Our requirements were met and exceeded. **Aestiva RFQ** allowed us to reduce our costs, increase productivity, and improve relationships with our suppliers."

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