

KNORR-BREMSE is the globally leading producer of brake systems for track and commercial vehicles. As a technological pacemaker the company decisively has pushed the development, the production, and the distribution of most modern brake systems for different applications in the track and commercial vehicle sector for more than 95 years. Thus Knorr-Bremse makes a considerable contribution to the security on tracks and streets. Further fields of production are door systems for track vehicles and torsion vibration dampers. In the fiscal year 2002 almost 11,000 employees have gained a turnover of 2.1 billion euro all over the world. Optimum market proximity, and a high flexibility explain the success. This is achieved by local, transparent company structures, an international development and production network, as well as a global service net. With a future-oriented self-conception, and the power of innovation and motivation of the employees Knorr-Bremse wants to continue to take a leading part in the technological change of the track and commercial vehicles.

Optimized procurement process opens up options for strategic supplier management

The Knorr-Bremse AG from Munich uses the catalog solution of Heiler Software for their SAP-based e-procurement in the whole group. The Premium Business Catalog (PBC), and the Heiler Premium Content Manager (PCM) form central control elements. By the standardization of processes and products at the procurement of indirect materials and services the processing times are reduced thus also reducing the process costs. The result: The Knorr-Bremse AG can concentrate more strongly on the strategic supplier management.

"The call for action at the procurement of indirect material was obvious", Andreas Bendfeldt, team manager purchase of indirect material and services at Knorr-Bremse AG in Munich, reminds. "When we got involved in the processes about 4 years ago, a process analysis showed that the processing times from the receipt of a material request in the purchase ranged between ten days and two months."

According to the statements of Bendfeldt in this period the transparency about the status of the material request was missing.



Photo: Knorr-Bremse

"One of the goals for the sector electronic procurement was to clearly accelerate the processing times for the procurement of indirect material in order to create a greater transparency", said Bendfeldt. The facts speak for themselves: At the location Munich Knorr-Bremse AG does not operate a warehouse for indirect material. The necessary articles are now available within 24 hours after ordering at the goods receipt. The inefficiencies at the procurement of indirect material were originally the reason for Knorr-Bremse AG to get involved in e-procurement. The intention to create a workflow-based process quickly became an extensive e-procurement project with international perspectives. According to the statements of Bendfeldt, besides the standardization of the processes the creation and the management of an electronic catalog turned out to be a factor of success.

- Standardizing the processes reduces processing times and process costs
- Indirect materials are available within 24 hours after ordering
- Direct catalog connection if the suppliers facilitates the creation of strategic relationships
- Transparent procurement process via status call, ordering up to the invoice receipt

Organization and scope of the project "procurement process indirect material."

The project "optimization of the procurement process of indirect material (PIM)" aimed at several objectives that are achieved in part today. Very central are the more efficient processes, says Bendfeldt. Basis for this form the standardized processes at the application of material requests. The electronic catalog, realized with the Heiler Premium Business Catalog (PBC), contains just the articles authorized by the purchase, as well as a standard catalog of Knorr-Bremse. With the catalog connection of important suppliers it is meant to generate strategic relationships with suppliers. The authorization workflow has been slenderized by the definition of exactly specified instances. Finally the procurement process has become traceable for the requestor via the status call of the ordered shopping basket from the point of ordering up to the invoice receipt. After the analysis of the requests and the extensive catalog of critics Knorr-Bremse decided on the Premium Business Catalog (PBC), and the Premium Catalog Management (PCM) of Heiler Software AG. "The implementation of an e-

procurement solution is not at least a complex project, because heterogeneous information of very different sources have to be processed here", Bendfeldt sums up. "Thus we have decided on a supplier, who does not only dispose of an efficient software, but who is also able to contribute comprehensive services to the suite. In this context the PCM-Tool Content Creator & Editor also played an important role. Because with that we were able

Planning and implementation of the roll-out

At the actual roll-out of the catalog system Knorr-Bremse AG benefited by the preparatory work of the purchase department. Already at an early stage those suppliers were detected, with whom has been generated the greatest turnover and the most order processes in the sector indirect materials in the past. Since the negotiations with the sup-

pliers, electronic and pneumatic components, office supply materials, electric accessories, as well as for material for the industrial safety were integrated into the platform. At the limitation of the assortment Knorr-Bremse pursues the strategy to let himself provide electronically with complete assortments for the purchase of the respective suppliers. The an employee of the purchase department internally realizes an adjustment of the commodity groups for the end user.



to map not only the e-Cl@ss structure, but also the internal structure of the commodity groups of Knorr-Bremse in the procurement system as classification.

pliers were already terminated to a great extent, the actual connection could precede quite fast. In the period between July 2002 till March 2003 catalogs for tools, inventory and enterprise installa-

Preview

In spring 2003 almost 300 users apply the electronic catalog, and already handle ca. 650 shopping baskets in the first months of the current year. Until the ends of 2003 a number of users of ca. 1,350 is announced. The final extension for Europe is meant to be achieved in 2005 with 4,000 users. "In former times the purchasers used much more than half of their time for the procurement of c-articles, and the rest of the time for the strategic purchase. Step by step we approach the estate where they dedicate the greatest part of their activities to the strategic purchase, and just a little part to the routine activities", Bendfeldt sums up.