



CONSUMER GOODS | SUPPLIER RELATIONSHIP
MANAGEMENT, LONG-TERM SUPPLIER
DECLARATION, RFQ

Hansgrohe: From the Design to the Finished Product

The Challenge

Category-based IT solutions are unable to offer sufficient support for procurement processes in the manufacturing industry. Within this industry, it is customary for up to 90% of production materials to be selected based on technical designs. In addition to the complete integration of an eSourcing tool into an existing ERP system, the seamless transfer of documents is of the utmost importance. Hansgrohe SE began working on this task more than ten years ago. In 2003,

the family-oriented “Global Players from the Black Forest” began working with JAGGAER to integrate a web-based eSourcing solution with a linked document management system into the SAP landscape at Hansgrohe.

Hansgrohe SE stands for innovative plumbing products and design-oriented solutions for baths and bathrooms. Despite fast-moving consumer markets, the demand for high-quality fittings, shower heads and shower systems shows no signs of slowing down. For the manufacturer, this trend means shorter product introduction phases. Time-to-market is slowly becoming a greater deciding factor in the success or failure of a product. Purchasing can play a critical role in reducing lead times, as long as it is involved in the production process early on. The lengthy request process for customized parts — which make up between 800-1,200 requests per year at Hansgrohe — can be drastically cut down with an optimal supplier communication system and the right IT tools. “Quality is when the customer comes back, and not the product.” This motto plays a key role in the

“The eSolutions from JAGGAER relieve our category manager of administrative tasks, creating more time to direct, monitor and prepare for strategic core activities. The added value that the company gains from this is obvious to us.”

Helmut Günter, Team Leader CMS -
Methods & Services, Hansgrohe SE

hansgrohe

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quality guidelines at Hansgrohe. To ensure that the price of a material or a part is not the only deciding factor in their selection, the plumbing fixture specialists decided to look for further streamlining potential in purchasing.

The Solution

Over 90% of RFQs for production materials are specially designed metal and synthetic parts, for which quotes in the past had to include all necessary documents, and then be sent by mail or e-mail. If clarification was necessary, or if details were missing,

corrections would have to be sent back and forth, leading to more work for both the suppliers and the purchasers. As a long-time SAP user, Hansgrohe already had a broad SAP landscape. In addition to the complete integration of eSourcing solutions into the existing ERP system, the necessary documents and designs from the PLM system also needed to be easily transferrable. As a typical manufacturing company with a characteristically high number of RFQs for customized parts, Hansgrohe was unable to find a sufficient support in catalog-based IT solutions that were typical of the early period of electronic sourcing.

Hansgrohe SE

After the company's founding in 1901 in Schiltach in the Black Forest, Hansgrohe AG has been a trendsetter and an innovative leader in the international plumbing and heating industry. The company, along with its brands - Hansgrohe, Axor, Pharo, and Pontos - manufactures in ten production locations and is represented in 44 countries. The bath and plumbing specialist has over 3,500 employees worldwide on all continents. In 2013, the company achieved its highest net turnover in the company's history: over 840 million Euros. www.hansgrohe.com

After implementing JAGGAER as a supply base and purchasing portal, Hansgrohe was able to transfer existing structures and processes into a modern IT environment with standardized processes and a seamless flow of information over the past ten years. The core focus of the process optimization was on improving the processing procedure for RFQs for customized parts. The CAX Data Exchange is fully automatic and is completed via the supplier portal, where the data are taken from SAP or from the CAD data pool, and are made available to the supplier for download. This means that the size of the document is irrelevant. If the CAD design or product documentation is not available in the Sourcing Portal, it will be taken from the necessary systems as directed by a workflow, and will then be encrypted and transferred. Suppliers also benefit from this free service, which has led to the high acceptance rate of the eSolution. More than 75% of suppliers to which more than 90% of the purchasing volume has been allotted are connected to the portal. The previous system of manually sending RFQs via e-mail, the time-consuming

search for the correct documents, the analysis of incoming offers, and the maintenance of the data in SAP has been successfully reduced by 50 % by using JAGGAER. The response times for offers have also been reduced by 2-3 days, and even up to 14 days in Global Sourcing. In the same amount of time, significantly more RFQs can be generated, which do not require additional efforts from the purchasing team, despite the constant influx of new developments. The long-term vendor declarations have also been fully integrated into the online supplier portal. This means that any Hansgrohe supplier can enter their data for each material (country of origin, validity, preferred zone) online so that they no longer need to be maintained and updated by purchasing.

JAGGAER's Supplier Management solution was added recently as the newest module to qualify and classify new suppliers more efficiently and cost-effectively. The responsible category managers are informed about new suppliers via special workflows designed for Hansgrohe, and they can then approve qualified suppliers based on internal standards. This increases the level of transparency for the existing supply base and new suppliers considerably. The eSolution has become a fixed part of the purchaser's daily work routine.

Goals Reached with JAGGAER

- ➔ Full communication with suppliers (including design exchange) via the online portal instead of exchanging documents via e-mail and/or mail
- ➔ Resources for strategic tasks by eliminating manual processing
- ➔ Release and approval workflows for efficient supplier qualification and classification
- ➔ Complete SAP integration
- ➔ Save time by eliminating manual data entry for long-term vendor declarations

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