Supplier Management
Minimize Procurement Costs

Supply chains critically depend on the performance of the suppliers at *every* tier. Having visibility and the ability to predict their response and delivery performance keeps you ahead of the game and minimizes risk.

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, can be challenging.

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.

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.
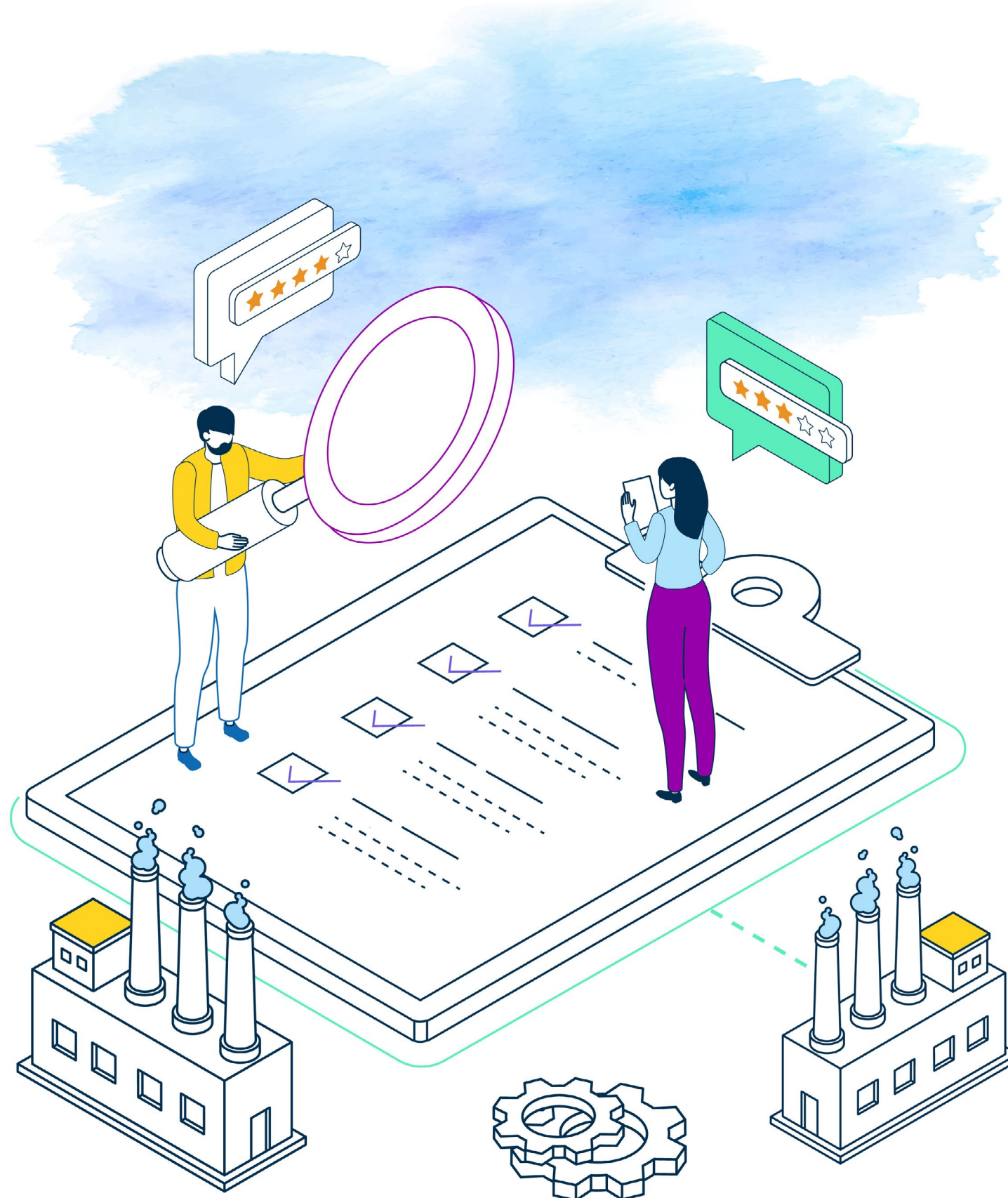
Adexa gives you new insight and control:

- Minimize procurement cost
- Minimize cost of goods sold
- Reduce days in inventory
- Decrease days sales outstanding
- Accurately forecast demand and supply
- Cut direct material cost
- Quicken order to invoice lead time
- Commit accurate delivery dates
- Minimize inventory write-offs
- Increase supply chain resiliency

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 orchestrates 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.
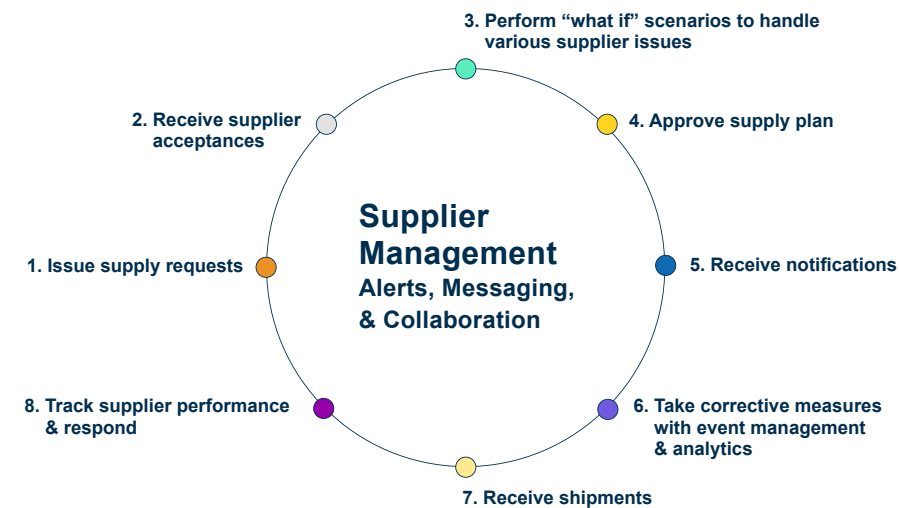
The Adexa value proposition

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.

"Smart self-improving algorithms used by Adexa Genies predict optimal levels of safety stock as your supply chain changes."

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

- Control the procurement process in an outsourced manufacturing environment
- Automated supplier monitoring and communication using smart Adexa Genies©
- Accurate prediction of supplier leadtimes using ML
- Improved visibility into purchase order status
- Optimize sourcing of components and raw materials using Prescriptive algorithms
- Smart self-improving safety stock policies using ML techniques
- Communicate production issues to suppliers in a timely manner
- Streamline supplier communication and management
- Create real-time visibility and manage supplier availability and capacity
- Integrate procurement functions with other enterprise systems
- Ensure supplier qualification for specific order and customers as needed
- Full pegging with traceability and serialization

3. Perform "what if" scenarios to handle various supplier issues

2. Receive supplier acceptances

4. Approve supply plan

1. Issue supply requests

Supplier Management
Alerts, Messaging, & Collaboration

5. Receive notifications

8. Track supplier performance & respond

6. Take corrective measures with event management & analytics

7. Receive shipments

Adexa delivers smart 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 objective.

Moreover, the system is capable of constantly self-correcting and self-improving policies using the digital twin of the supply chain and factories. 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.

**"Monitor your suppliers' behavior using Adexa Genies as their performance level changes.
Let Adexa Genie *talk* to them to avoid late deliveries."**