

## Multi-tier Component Visibility at Siemens ICM

*Maintaining control and visibility over 80 to 90 percent of the production costs (i.e. material component) when the company outsources product manufacturing to third parties is not an easy task. A dilemma for every company that has products manufactured externally. Together with Siemens Procurement & Logistics Services (SPLS) consultants and Adexa, Inc., Siemens Information & Communication Mobile (ICM) has developed and successfully implemented an innovative electronic solution to conquer the dilemma.*

A consequent increase of the production volume also means more procurement responsibility for the contract manufacturers. Nevertheless, the better procurement conditions lie by ICM as an integral part of the global Siemens procurement network, who have strategic suppliers with a vested interest in protecting the prices and terms negotiated with Siemens.

The experience of Christian Riedl, senior project manager at SPLS Supply Chain Consulting (SCC), confirms that “the dilemma can be solved with clearly defined tasks and responsibilities.” Operative procurement and supply responsibility now lies with the provider of manufacturing services, who buy components from their manufacturer, take direct deliveries, and also pay for them. The new developed system secures that the order costs of the ICM finished goods will not increase. With this, ICM profits from their own procurement conditions without having the responsibility of the operational procurement and replenishment. “This complex supply chain network optimizes both value and profit,” according to Riedl.

In addition to developers from Adexa (CSCM component) and SPLS (Buy-Side Marketplace component) several experts from various departments of ICM IT were involved in the project. IBM Crossworlds, the ICM EAI platform, was used to link the different elements of the E<sup>2</sup>p solution (EMS Electronic Procurement) to enable the exchange of master data and transactional data. Also, it is the interface to the SAP system KEP.

“The close cooperation between various IT departments was the key success factor for this project”, says Georg Ludwig from ICM IT EA 3, responsible IT project manager.

ADEXA’s software ensures that all transactions remain transparent for ICM. Companies, which outsource product manufacturing to third parties, particularly in the automobile, telecommunication, medical and information technology industries, can now take advantage of this solution.

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### **About ADEXA:**

Adexa, with headquarters in Los Angeles, California, is a leading provider of globally proven solutions in supply chain planning, inventory optimization and S&OP solutions all in one integrated suite of products. Adexa’s customers include Siemens AG, Advanced Micro Devices, CNH Global, General Motors, Hitachi, Johnson & Johnson, Lucent Technologies, Philips Semiconductor B.V., Pulse, Teijin Limited, TSMC, Unilever and Xerox. For additional information, contact Adexa at [info@adexa.com](mailto:info@adexa.com) or visit [www.adexa.com](http://www.adexa.com).