



# Siemens Numerical Control Ltd. Nanjing

## SPLM SRM Solution to Support Business Growth in China

On October 15th 2008, Siemens Numerical Control Ltd. (SNC) Nanjing, a market leader in China in the field of numerical control systems for machine tools, commissioned Siemens IT Solutions and Services China together with Siemens PLM Software Solutions (Shanghai) Co., Ltd., to handle the implementation of the entire Teamcenter Supplier Relationship Management (SRM) Solution which includes: Sourcing Component Identification and standard Sourcing Component Negotiation solution at their location in Nanjing to support the company's continual growth. On June 5th 2009, after almost 8 months of planning and implementation, SNC is now equipped with a system that is able to support the company's growth, maintain world-class quality and reduce time-to-market for years to come.

### Business Needs

Due to the explosive economic growth in China, especially in the manufacturing sector, SNC saw the need to upgrade and implement solutions that will allow them to continually be more productive and scalable while minimizing their costs. SNC also needed to have a more streamlined and institutionalized process to meet the expected business growth for the next 2-4 years.

### The Challenge

Increased demand and a higher number of orders due to China's rising economy have caused several challenges for SNC. The company was facing difficulty in meeting the higher consumer demand. Furthermore, the processes that were already set in place were not standardized which caused complications among the buyers, suppliers and developers which resulted in a longer product time-to-market. The solution that SNC needed was not readily available as

Ms. Shirley Xu, Global Procurement Manager, Siemens Numerical Control Ltd. Nanjing

"We now have a very transparent sourcing process and our sourcing operation is more productive and traceable. With the new robust reporting capability, the cost breakdown can be analyzed and suppliers' quotes can be easily compared which leads to a clearer sourcing decision. With the right sourcing decision, SNC will be able to reduce costs."



this was the first SPLM Supplier Relationship Management (SRM) project in China, so a lot of customization had to be done to fit the local environment.

#### **The Solution**

Siemens IT Solutions and Services gathered the project know-how as well as all relevant subject matter experts together in order to collaborate, plan and customize the solutions that would suit the customer's local requirements and business needs. Based on the current sourcing processes and IT investments in SNC and in the aim to maximize customer's investment, Siemens IT Solutions and Services implemented the RFX module from SRM in SNC with the support from SPLM R&D India. The solution would allow SNC to standardize its sourcing processes, making it easier and faster, as well as time and cost efficient. The solution includes two main parts: SCI (Sourcing Component Identification) and SCN (Sourcing Component Negotiation). The key features of the solution include:

- Pre-defined sourcing templates
- Customized reports
- Centrally maintained sourcing data
- Detailed cost breakdown
- Enabled collaboration among buyers, suppliers and developers
- Multiple time-zones, languages and currencies setup.

#### **Business Benefits**

The associated business benefits include the following:

- A simpler and standardized sourcing process;
- Reduced manual repetitive work for buyers
- Easy to trace sourcing data thus reduced operational efforts
- Transparent and reasonable prices which saves sourcing cost
- Reduced product's time-to-market
- Easier for global sourcing activities.

#### **Further Developments**

The successful completion of this sourcing project has benefited the Siemens IT Solutions and Services team as they are now fully-equipped with the know-how to perform similar sourcing projects for the Chinese market. SNC has expressed interest to commission the company for phase 2 of the sourcing project which includes integrating the Sourcing system to their Team-center Unified Application platform.

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