

Abstract

Piaggio & C. S.p.A. implemented the SAP R/3 platform for the management of the main business processes, including the passive cycle processes for the provisioning of indirect and direct production material.

Indeed, in 2007 Piaggio & C. S.p.A. felt the need to optimize some processes relating to the above mentioned sectors, as well as to establish new collaboration scenarios with its business Partners. The solution identified by the Piaggio Group together with Syskoplan Reply is the SAP SRM - Supplier Relationship Management - platform.



SAP SRM: Piaggio Group's choice for integration with suppliers and passive cycle automation

Scenario

SAP Supplier Relationship Management (SRM) is a tool able to support the company in order to:

- Improve purchasing strategies through better spending visibility, specific sourcing initiatives, suppliers selection, contract compliance management and assessment
- Render purchasing processes more efficient through the implementation of automatic tools, the revision and streamlining of internal procedures, increased compliance with purchasing procedures
- Strengthen the collaboration with suppliers through self-service, connectivity as well as document and information sharing tools
- Automate the invoice reception and management process.

The solutions implemented by Piaggio & C S.p.A. in cooperation with Syskoplan Reply, enable to activate shared collaborative processes with suppliers, in order to identify and select the best offers with regards to quality and costs, optimize contractual terms and analyse the impact of each new supplier on the whole value chain.

The SRM solution, implemented by Piaggio & C S.p.A., allows the company to manage the relationships with suppliers, thus improving business competitiveness and profitability.

"With the SAP SRM Platform we have improved the management and efficiency of the supply chain; indeed, nowadays the whole authorization cycle up to the issuing of Orders is performed on the Portal and during the first 4 months of 2009 about 37% of Invoices were received through the SRM platform. During this year, it is estimated that around 50% of Invoices will be transferred through the Portal, to which about 250 suppliers will be connected".

- **Claudio Di Piero**, Vendor Assessment Management – Piaggio & C. SpA -

Solution

The project provides for the use of this platform by all the Piaggio group companies distributed in Europe; moreover it provides for a multilingual integration with the different European and Extra-European Partners, each having its own specificity, according to the relevant icoterms code. The implementation was divided into 13 detail scenarios, including:

SUPPLIER QUALIFICATION. This scenario is based on the SRM standard flow, called Supplier Registration, whose modality of filling out the questionnaire (on-line rather than off-line) has been expanded. The SRM-ROS component provides the database to record the supplier general information, gathered through the self-registration page and collect questionnaires which have been filled out in off-line modality (general questionnaire send during the self-registration phase) and subsequently in on-line modality (questionnaires by product category made available to the supplier on the SRM-SUS environment).

Questionnaires use the Web Surveys technology, made available by the Netweaver platform, on which SRM applications are based. The internal assessment was made through the compiling of a Web Survey by the relevant functions and the different steps are managed with Workflow. The SRM supplier master file unlock, after the assessment, is supported by standard functions; the transfer of the supplier master file in R/3 environment was developed by expanding the interface performing the change transfer.

PURCHASES THROUGH NEGOTIATION AND CLOSED ORDER FOR INDIRECT MATERIALS. The purchasing scenario provides for the whole management of passive cycle documents focused on indirect materials and service delivery, availing itself of the following possibilities:

- Exchange of purchasing documents (orders, requests for offers and offers, framework agreements)
- Exchange of annexes (PDF, word document, excel document, pictures etc...)
- Dynamic approbation workflows
- Direct interaction with suppliers
- Digital signature.

PURCHASE FROM THE CATALOGUE. At the end of the negotiation process, the SRM system may lead to the insertion of products/services into an internal catalogue or to the access to an external catalogue kept by the supplier, from which it is possible to make purchases in an easy and direct way, through the management of a Shopping Cart (SC).

GOODS RECEIPT / DIRECT MATERIAL INVOICE. The recording of goods receipt is performed with reference to the purchase order, and may be done directly or with delivery notice:

- With the delivery notice the supplier may communicate delivery data on the portal, the effective registration of good receipts and the invoice authorization is given upon the approval of the delivery received by the requesting party
- Directly, the goods receipt may be recorded regardless of whether the supplier has submitted the delivery notice; in such case it may be the requesting party, the goods recipient or the Buyer to carry out the operation which is not subject to approval.

PURCHASE OF NEW PRODUCTION COMPONENTS (PRODUCT DEVELOPMENT).

The purchasing scenario provides for the management of passive cycle documents focused on direct materials for the management of sampling/equipment, series and pre-series, availing itself of the following possibilities:

- Exchange of purchasing documents (orders, requests for offers and offers, framework agreements)
- Exchange of annexes and technical specifications (PDF, word document, excel document, pictures etc...)
- Dynamic approbation workflows
- Direct interaction with suppliers
- Digital signature
- Integration with the ERP SAP ECC system where one can find the basic specifications of the components to purchase.

GOODS RECEIPT / INVOICE REGARDING DIRECT MATERIAL SCHEDULING.

The recording of goods receipt concerning materials for which a delivery plan (Scheduling Agreement) has been developed is performed through the processing of a delivery notice published on the SRM component, called SUS (Supplier Collaboration). Eventually, the supplier may confirm or request the amendment of quantities indicated in the schedule, before issuing the delivery notice. The delivery notice referring to a confirmed schedule is used as reference for the EM operation. Following the EM recording, the quantities confirmed are notified the supplier on the portal, in order to enable the sending of the invoice.

GOODS RECEIPT / INVOICE REGARDING DIRECT MATERIAL GLOBAL SOURCING SCHEDULING.

When the supply is not delivered at final destination, a transport logistics supplier is included in the goods receipt process in order to track delivery time. The goods supplier sends the delivery notice selecting the logistics supplier who will transport the goods; this way the latter may view the AdC document on the SRM-SUS portal. The goods supplier is authorized to send the invoice without any reference to the goods receipt, the invoice is received and set aside while waiting for the EM document. It is only when the passage of goods between the supplier and the transporter is concluded that the EM is recorded for the transit warehouse with reference to the delivery notice sent by the goods supplier and, further to that, the supply invoice is recorded. During transportation, the logistics supplier may update the shipping document through the SRM-SUS portal; in particular he may notify the actual dates of end of cargo and delivery to final destination. Upon receipt of the goods at final destination the EM from the transit warehouse to the destination warehouse is recorded, at the same time the supplier declares transport closed, updating the shipping document status published on the suppliers portal. Through the suppliers portal the transporter may access one function which enables him to send an invoice with no reference to the goods receipt; this way he can periodically invoice for his services.

INVOICE MANAGEMENT WORKFLOW. In the field of passive invoicing workflow management, the main processes are as follows:

- Acquisition of paper invoices
- Anomaly management workflow
- Integration of suppliers portal (SRM-SUS):
 - Electronic invoicing from portal
 - Filing and management of anomalies of invoices from portal

In particular, the sub-process “anomaly management workflow” is common both to the management processes of paper invoices, as well as invoices from portal.

DIGITAL SIGNATURE. Documents concerning the purchase formalization (closed orders, delivery plans, contracts etc...), which are routed to Piaggio’s Partners, may be subject to digital signature, in compliance with the CNIPA, integrated within the SRM platform.

BUSINESS TO BUSINESS. The diverse Piaggio suppliers allowed to manage and implement different methods of document exchange according to the reciprocal needs and the Partners informatization level.

Manual: the document exchange is performed through an internet browser in a consulting and implementing modality.

Semi-automatic: the document exchange is performed through document Upload and Download in XML format through an internet browser.

Automatic: the document exchange is performed directly among IT systems in XML format.

Syskoplan Reply is the Reply group company specialized in SAP solutions, as a SAP Alliance Service Partner and Special Expertise Partner (SCM - Supply Chain Management; PI - People Integration; NetWeaver; BI - Business Intelligence; SRM - Supplier Relationship Management; CRM - Customer Relationship Management). Syskoplan Reply, puts forward a specialized offer based on strong planning and governance capabilities and constitutes the ideal partner to support companies in the planning and development of new systems based on the SAP application and technology platform, maintain, upgrade and integrate applications, define and implement change patterns able to give concrete results in a short span of time, though keeping a consistent vision with the medium to long-long term flexibility, business and performance objectives. Syskoplan Reply supports the business management with a highly experienced team having managerial capabilities, specialized skills in the business and system integration fields and boasting a high profile in terms of seniority and personal background.

For more informations: www.reply.eu