



Placing orders directly from building sites

Balcke-Dürr manufactures components for and provides services to power stations. It has just replaced its purchasing system with the eB2B Software-as-a-Service (SaaS) solution. Balcke-Dürr was looking for a versatile solution – capable of allowing 500 users from 100 building sites in Europe to order goods online, ranging from office supplies to building site equipment.

“We have found a user-friendly, multi-language solution which can be simply and flexibly integrated into our IT environment.”

Dietmar Loske
Purchasing
Organisation Manager
Balcke-Dürr GmbH

E-procurement is nothing new for Balcke-Dürr. The specialist for boiler and power station construction introduced its own in-house order system based on Lotus Notes in 1992. At that time the suppliers' product catalogs were entered into an in-house database. This created a lot of work for this German-based subsidiary of the US-company SPX Corporation. The existing system wasn't compliant with the strict US-regulations (SOX) and had also reached its capacity limits. Balcke-Dürr began its search in 2006 for a web-based e-procurement system offering straightforward integration into the corporate IT environment; one which would ultimately enable the 500 employees to directly order goods. Previously, only purchasers and MRP controllers had access to the old order system. They also required the new system to be more user-friendly.

Balcke-Dürr (purchasing volume over one million Euro per annum for office supplies and other goods) searched the market for suitable products. Their choice quickly fell on the Hamburg-based Software-as-a-Service (SaaS) product eB2B. „eB2B matched our requirements exactly,” says Dietmar Loske, Purchasing Organisation Manager at Balcke-Dürr.

Hosted Solution Preferred

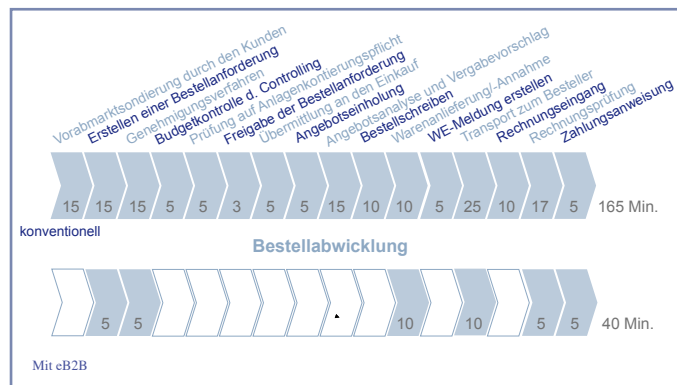
What Dietmar Loske of SPX Cooling Technologies, liked above all was the SaaS principle. Not least because the company is also in the middle of SAP introduction and did not wish to expend additional resources on an e-procurement project. A hosted solution like that offered by eB2B was ideal. Dietmar Loske quickly put eB2B's high levels of user-friendliness

Compact:

- ||-- eB2B procurement solution replaces Lotus-Notes-based ordering system.
- ||-- The client sought a web-based system accessible from office locations and building sites.
- ||-- The new order process cuts processing costs by 50 %.
- ||-- eB2B provides dedicated online shops to any suppliers without an own online shop solution.
- ||-- Incoming goods are registered faster – credit memos are issued earlier.

to a test: The system was introduced at all six German locations without preliminary training in December 2007. "It worked," says Dietmar Loske, "the application is self-explanatory and there were no complaints." The old system was deactivated only eight weeks after the implementation of the new system.

eB2B is seamlessly integrated into Balcke-Dürr's existing system environment. The old database was used to administer roles and rights. Master data were transferred to eB2B while all ordering information is transferred daily to the SAP system. eB2B fully documents all order processes in one single cross-supplier reporting procedure. The security specifications of the Ratingen-based company require all data traffic between eB2B and Balcke-Dürr to be encrypted.



125 minutes time saving: The old solution compared with the new

Reducing Complexity

The new solution has substantially reduced order process complexity. Whereas previously purchasers had to create a specific SAP order for each transaction, eB2B now does this automatically, explains a pleased Dietmar Loske. When he compared the old order process with the new he identified a time saving of 125 minutes. Basically, the eB2B order process costs only half as much as the previous solution. This sums up to an annual saving of about Euro 50,000. Based on the experience gained with eB2B Dietmar Loske is convinced that companies do not need to adopt an SAP-only strategy. "We have managed to combine the best of both worlds."

Stock Availability is updated

Suppliers' catalogs are now no longer hosted by Balcke-Dürr but by the suppliers themselves. This offers a number of advantages: The assortment of goods is updated more efficiently and stock availability is indicated. eB2B provides online shops for suppliers without their own online shop solution so that their products can be ordered electronically or by e-mail. Balcke-Dürr also benefits from the new procurement portal being accessible via the internet. Whereas before a site manager needing new protective clothing had to send a purchase request to the purchasing department he now places the order via any internet access point. Orders from three consignment stores were also integrated during Q1 2008. Each store was given its own customer number. As soon as orders with these

numbers are placed, suppliers know that they don't need to deliver to site, but to restock the stores.

All Balcke-Dürr purchasing now takes place using credit memo procedures. Again, the implementation of eB2B created immediate improvements: The goods receipts – for example at building sites – are posted directly in the system and therefore the credit memos are issued more quickly and Balcke-Dürr benefits from discounts. There are also other improvements: The system generates savings for the suppliers so that Balcke-Dürr can profit from direct cost price reductions and saves an additional Euro 35,000.

Balcke-Dürr is also very pleased about the ideas from eB2B since the start of the project. The building site administration is now included in the e-procurement system. All sites are listed; staff can search for building sites and create new building sites which are then transferred to the SAP system. Dietmar Loske: "We were able to benefit from eB2B's experience."

Less Cancellations and Returns

Because a number of communication steps were also waived, Balcke-Dürr now places orders more accurately – cancellation rates and returns have both fallen. Balcke-Dürr users are more efficient in the placing of orders because they have more goods available and also more information about each article. The online shops, those within eB2B as well as those integrated by eB2B using the punch-out method, all display full goods information, including pictures. The search function in eB2B enables goods to be quickly found within the eB2B's own online shop – a function not provided by the old system.

Finally, the purchasing experts at Balcke-Dürr in Germany appreciate that eB2B can be easily localized. According to Dietmar Loske, this was one of the prerequisites for the planned roll-out of the eB2B solution in all six European locations by mid 2009.



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