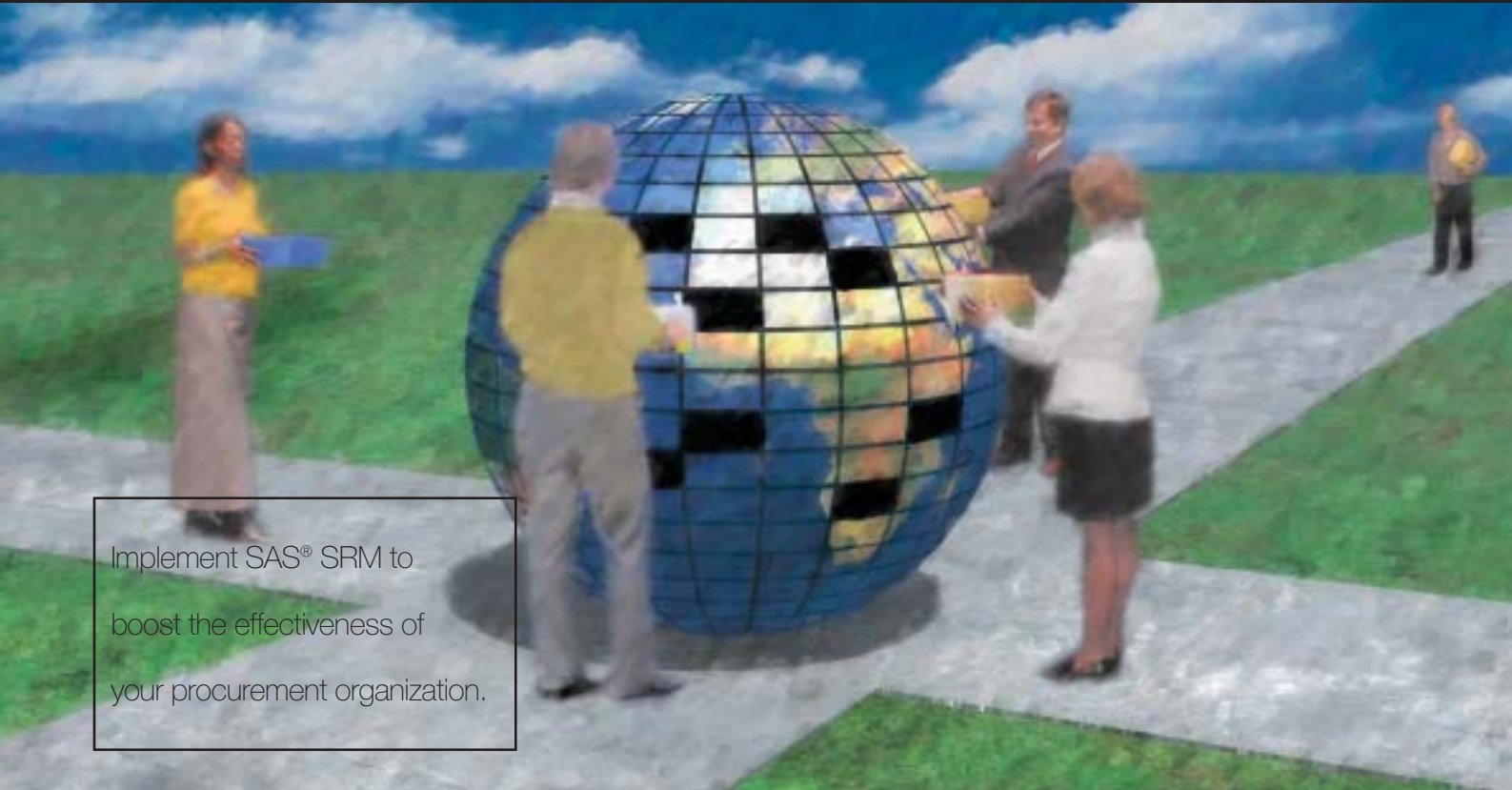




## **SAS® Supplier Relationship Management**

*Leverage your supplier relationships for improved market competitiveness*





Implement SAS® SRM to boost the effectiveness of your procurement organization.

## ***Bayer CropScience in U.S. Harvests Millions in Savings with SAS® SRM***

*With tens of thousands of suppliers and hundreds of millions of dollars in procurement spending, Bayer CropScience is the world's second-largest agrochemical company and global provider of crop solutions, products and services. Bayer CropScience formed in 2002 when Bayer AG purchased Aventis CropScience.*



**Burgess Perry**  
Manager of Supply Chain Strategy,  
North America  
Bayer CropScience

*At its operations in the United States, the research-based agricultural products company wanted to make sure that it maintained a steady flow of materials from its 16,000 suppliers while reducing costs and minimizing supplier risk. For a company that spends millions a year on procurement, that's a high priority — and a big task. Because its enterprise resource planning (ERP) system lacked the flexibility to retrieve and analyze data, Bayer CropScience turned to SAS® Supplier Relationship Management for help at its U.S. operations.*

*Burgess Perry, Bayer CropScience's manager of supply chain strategy for North America, uses SAS to identify the suppliers he doesn't need and negotiate better contracts with those he wants to keep. "We're trying to fill in gaps because we didn't have a system to support analysis, negotiation and strategy," Perry says. "SAS helps us achieve our goals."*

*In combination with several other business initiatives, SAS SRM has created quantifiable value for Bayer CropScience in the United States. "We expect to realize between \$10 million and \$15 million in savings enabled by SAS SRM by 2003—with even more savings each year," Perry says. "In addition, we've concentrated our pool of suppliers, which further enhances efficiencies. The technology's ability to sort through the data and extract the relevant information is the future of IT—providing business information for better decision-making."*

## Assure the success of your strategic sourcing plan

Organizations today are spending a significant portion of their revenue acquiring the goods and services needed to support their business — some spending as much as 60 percent. Such large procurement budgets and a reliance on numerous suppliers can make business goals increasingly complex.

Ultimately, you may be charged with reducing the organization's overall spend while simultaneously increasing the bottom line. Reaching this objective requires more than just saving money on office supplies. To get there, you need a high-level strategic sourcing plan that lets you:

- Minimize supplier risk.
- Create and maintain effective supplier relationships.
- Monitor the quality of materials received from suppliers.
- Leverage your supplier information to negotiate better contracts.

But implementing an effective strategic sourcing strategy can bring even more challenges. You must get past tactical operational activities and focus on the big picture of aligning procurement's goals with the organization's overall corporate goals. Additionally, you need access to information. Developing and executing the strategies and policies for a well-managed supply chain requires a complete understanding of your procurement landscape. The analysis and decision-making steps needed for strategic sourcing depend on a foundation of information that comes from many areas within a company.

## Rely on SAS® to turn your purchasing information into strategic opportunity

SAS Supplier Relationship Management (SRM) can help your organization implement sound supplier relationship management practices, increasing your competitive advantage through enhanced supply chain management. This comprehensive solution enables you to collect, analyze and leverage all aspects of your supplier data and purchasing history. Through the power of SAS, you'll gain vital insight into your supply base and purchasing history—critical information for optimizing your strategic sourcing and providing significant cost savings.

SAS SRM provides the proven analytical capability that supports your strategic sourcing process and delivers the supplier intelligence that will help increase bottom-line profits. SAS has been using powerful analytical software to help customers turn data into knowledge for a quarter-century. Award-winning analytical technology is applied to strategic sourcing principles to form the backbone of SAS SRM, helping to give you the knowledge you need to make profitable decisions.



# Relationships Relationships



### **Create an accurate overview of your organization's total spend.**

Traditionally, e-procurement systems have been used to help streamline the requisitioning and order placement process. SAS SRM leverages the data generated by these systems to ensure a complete picture of your purchasing spend.

Do you have important procurement data that could be used to help you make profitable decisions if only it were better organized? Data comes in many forms and from many venues: ERP systems, legacy systems, purchasing cards and e-procurement systems. SAS reads your procurement data regardless of its location and brings this information together seamlessly.

Do you oversee different types of spending? Whether you're responsible for indirect or direct spend, or both, there is no difference in what SAS can do for you. Unlike other solutions that might work for only one type of purchasing data, SAS encompasses the entire procurement landscape — including production and non-production goods and services — and helps you leverage this information to make profitable decisions.

### **Select the ideal suppliers for your organization**

Leveraging SAS analytic excellence, SRM provides the capabilities to help determine which suppliers you should be using to support your strategic sourcing and corporate goals. Built for procurement professionals, SAS SRM delivers powerful components which help you rate and rank your suppliers based on key criteria or help you model an optimal supplier base for given commodity categories. The result: certain suppliers may be unearthed as top or potential suppliers, suppliers that you might never have considered otherwise. SRM helps you to uncover the hidden gems in your current and potential supplier portfolio.

Price isn't always the key to selecting the right supplier for your organization. You may need to consider several criteria at once. This is especially true if you are assessing complex bid proposals, containing a number of varied measures and projections of supplier performance. By using SRM, you can clarify the supplier criteria that are important to your organization, set specific selection criteria, and foster consistency in supplier selection throughout your organization. SAS SRM provides you with the tools that you need to establish an objective, repeatable, and adaptable measuring system that reliably identifies the best suppliers for your organization and responds effectively to changing business conditions.

### **Match your business objectives with individual supplier performance.**

Buying goods at the least expensive price is no longer enough. SAS helps you implement effective SRM practices in your enterprise, allowing you to examine and compare how the impact of buying goods impacts company performance. This valuable insight can contribute to the growth and innovation of your company and play a major role in increasing competitiveness.

### **Identify cost consolidation areas.**

Do you know how many suppliers you use for products and services? It might be more than you realize. Perhaps you are buying a product from several suppliers, when one supplier might serve you better — and give you more influence in contract negotiations. SAS provides quick and easy access to valuable information such as purchasing history combined with current purchasing data so you can develop optimal purchasing strategies and negotiate better contracts — ultimately reducing overall spend and adding to the bottom line. SAS Supplier Relationship Management is a comprehensive, integrated solution that helps you achieve substantial returns through three main areas of procurement:



## SAS® Supplier Relationship Management

### Strategy Alignment & Scorecarding

A critical piece of SAS Supplier Relationship Management, the procurement scorecard enables you to quickly determine how the sourcing process functions within a department, division or organization. This not only helps your organization align procurement activities with corporate goals, but also allows you to measure the impact that these activities have on specific key performance indicators.

### Opportunity Exploration

How well you understand your supplier landscape and what you purchase is directly related to how much you can save. SAS allows you to consolidate procurement activities, reduce costs and minimize supply risk.

### Detailed Analysis and Reporting

SAS offers a point-and-click environment that provides simple to advanced analytics, data manipulation, and reporting capabilities—allowing you to stay on top of your supplier activity and make smart decisions on a daily basis.

## A complete, integrated approach to SRM

The incentive to save 5 to 15 percent of your total spend is obvious, but many organizations still struggle with the decision of whether to implement an SRM solution. There are many reasons for this, including pulling data together from disparate systems or changing existing practices. SAS' comprehensive solution helps you break the process down into manageable steps, from establishing an information warehouse to standardizing and enhancing your supplier information, to analyzing and assessing suppliers.

### Procurement Scorecard

This component, ideal for executives as well as sourcing managers, allows you to track the performance of the procurement organization and their achievements in support of corporate goals and objectives such as cost

savings, contract management and supplier diversity programs. It can also help track how the overall organization is utilizing key procurement tools and programs.

### Supplier Report Card

Allows you to create and monitor supplier performance across many areas, such as quality of goods and services, timeliness, reliability and cost. The resulting performance score can be shared with your suppliers to encourage continued performance levels or improvement in specific areas.

### Spend Analysis

This strategic application lets you identify not only from whom you are buying, but what you are purchasing from each supplier, when it was purchased, and how it was purchased. Adaptable

## SAS® Supplier Relationship Management



to your company's underlying data structures, you will be able to identify key commodities from different suppliers and help prioritize your strategic sourcing efforts and decision-making.

### **Ranking**

SRM Ranking allows you to establish an objective, repeatable, and adaptable measuring system that reliably identifies the best suppliers for your organization. Built for procurement professionals, the use of weighted averages and operations research techniques are used to add balance and flexibility to the process of evaluating suppliers. SAS helps you to narrow, measure and rank which supplier or suppliers are best suited for your needs.

### **Optimization**

Using the power of SAS' analytics you can identify ideal supplier portfolios for any given commodity groups in support of company goals such as reducing your risk exposure, minimizing your purchasing costs, and increasing your leverage for contract negotiations. Supporting the strategic sourcing efforts, SAS Supply Base Optimization will make recommendations on how to distribute your spend with the right suppliers in support of your business goals.

### **Statistical Analysis**

SAS' advanced analytical capabilities instantly give you more information about your suppliers, at whatever level of detail you may require. Now you

can look for fraudulent supplier activity, analyze supplier trends, and search for anomalies within your suppliers, which can go undetected without this level of analysis. Such critical information can help you improve quality, save money and protect your organization's ability to compete.

### **Surfacing enterprise-wide spend data**

The foundation for a robust Supplier Relationship Management solution is an intelligent, extendable, repeatable data process that captures, cleanses and makes available the right information to the right audiences in a timely manner. Utilizing SAS' award winning data capabilities, your SRM solution can have the flexible data foundation required to help your company quickly implement and expand your data needs in support of an ever-changing business climate.

### **Spend Data Management**

Merge all your procurement information from both direct and indirect purchases as well as from disparate systems across your enterprise. SAS can read data from virtually any source in virtually any form, consolidating operational data from disparate systems into a single source of information. SAS SRM contains the data management tools necessary to help you organize how and when the data is read into the application.

### **Data Cleansing**

SAS SRM provides powerful data quality tools that enable companies to analyze, standardize, and rationalize supplier and commodity data. These tools perform data standardization, data augmentation, and identification of duplicate data that can be used in a repeatable, extendable environment and can be easily adapted to incorporate new data sources at any time. SAS SRM can help you increase the value of your supplier data by improving the accuracy and integrity of the data and enriching the data with valuable geographic and demographic information, turning raw data into information.

### **Building the SRM Data Foundation**

SAS recognizes that the data necessary to support your SRM system may take different forms — from summarized to detailed information. The SRM Data Foundation can utilize SAS' open relational data structures or utilize your company's database of choice. This allows SAS SRM to compliment any existing architectural infrastructure your company has chosen and to further support any future configurations your company may choose.

### **SRM Data Input**

Gather information across your enterprise that is vital to your procurement decision making but is currently not being captured by your transactional systems. This includes capturing business rules, future requirements and key supplier interactions — which when combined with your current transactional data, can help you make better strategic supplier decisions.



## SAS is here to help you meet your challenges

Mergers and acquisitions, global operations, volatile commodity pricing, and new Web-based procurement channels have created a business environment that poses important new challenges for procurement professionals. SAS is the only solution that provides an integrated, global view of your entire organization's procurement activity, regardless of its source. And you get timely spend-analysis results that let you negotiate savings with suppliers. From the big picture down to analyzing the details, SAS enables you to make smarter procurement decisions—and significantly increase your bottom line. What business today can pass up such opportunity? For more information and the latest news on SAS Supplier Relationship Management, please visit [www.sas.com/solutions/suppliers.html](http://www.sas.com/solutions/suppliers.html)

## The SAS® Intelligence Advantage

In today's competitive marketplace, organizations must focus scarce resources on the strategies most likely to yield success. SAS can help you achieve this focus.

We leverage the investments you've already made in operational systems and applications by adding a layer of intelligence you can't get anywhere else. SAS solutions and services empower your organization to transform raw data—from any source and across every channel—into usable intelligence about customers, suppliers, your organization, and the overall performance of your enterprise. We call it SAS Intelligence, and we deliver it through our industry-leading data management and analytics.

Because all SAS solutions rely on the same open, extensible framework—the Intelligence Architecture—it's easy to link individual solutions and leverage existing technology to produce reliable information that decision-makers can act upon with confidence.

Whether you're focused on one facet of your business or committed to improving performance throughout the enterprise, SAS Intelligence can help you maximize profitability, minimize risk and achieve competitive advantage.

Solutions from SAS, the world's largest privately held software company, are used at more than 40,000 business, government and university sites around the world. Customers include 90 percent of the Fortune 500. For more than 25 years, SAS has been giving our customers *The Power to Know*®. For more information, visit us at [www.sas.com](http://www.sas.com).

## Global Supplier Negotiations

*Schneider Electric—an international manufacturer of electrical supplies for industry, construction, research and more—turned to SAS in 2000 when it wanted to streamline the number of suppliers the company was using around the world and negotiate better terms with the ones it kept. SAS Supplier Relationship Management allows Schneider Electric to unite data from all over the world in a single place, while using multiple currencies and understanding several languages. “I am convinced that with these tools our 800 purchasers will be able to spend more time negotiating,” says Jean-Marie Trolle, vice-president of purchasing. “With this tool, we’ll be able to serve them the data on a tray, and they will just have to use it for their negotiation.”*





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