



TOSHIBA

“With ECnet IPO solution, Toshiba and our trading partners have witnessed significant increase in work efficiency and information visibility. ECnet has delivered real and substantial value with a 15% improvement in overall productivity.”

Tsukasa Kobayashi
IT Manager
Toshiba Asia Pacific

Toshiba gains control of procurement activities through information visibility

Solution

ECnet Pro - IPO Module

Value Proposition

- Provide visibility and speed of information to both Toshiba and their suppliers
- Faster response from trading partners to Toshiba's orders
- An organized central source of information for all parties
- Reduction of manual and paper-based processes which result in time savings and error reductions so as to allow Toshiba's staff and suppliers to focus on exception handling

Results

- Better control of procurement activities through information visibility
- Improved work efficiency
- 15% improvement in delivery performance
- Fulfilment cycle time up by 10%
- Overall productivity increases by 15%

Justifications of an e-procurement project vary from its early days where cost reduction was the only consideration. Now, more integrated supply chains, enhanced collaboration with trading partners, information visibility and improved control of procurement activities provide the measures for a successful e-procurement initiative.

Toshiba, world's 7th largest integrated manufacturer of electric and electronics equipment, enjoys annual sales of over US\$54 billion on a consolidated basis. Toshiba Asia Pacific Pte Ltd, an International Procurement

Office (IPO), performs functions like sourcing, procurement, inventory management, consignment to contract manufacturers etc. Supporting about 15 customers from various Toshiba factories, Toshiba Asia Pacific has a pool of over 100 suppliers and an estimated volume of 1500 purchase orders per month.

With such a huge volume of business, speed and visibility of information to both Toshiba and their suppliers are critical. When the procurement process is automated, faster response time and an organized central resource of information eliminates errors, inaccuracies and inefficiencies.

Recognising that supply chain collaboration is a business imperative, Toshiba Asia Pacific embarked on an e-procurement initiative to gain competitive advantage. The company implemented ECnet Pro solution and has since made improvements to its operation cost, information visibility, customer fill rate and customer responsiveness.

Why choose ECnet?

“ECnet is well-established especially in the High-Tech industry vertical. More importantly, ECnet has implemented numerous global projects successfully for its clients,” Kobayashi commented. “Its solution enables Business-to-Business transactions electronically over the Internet infrastructure and focuses on manufacturing business processes, particularly in the management of Direct Materials. With a profound understanding of our business processes, ECnet is adept at proposing a solution that best fits Toshiba's business,” said Kobayashi.

In addition, Toshiba liked the hosted model where the database, process engines and programs are all designed, developed and executed by ECnet. This lowered their initial

investment in terms of dollar spending and IT resource commitment. Such proficient outsourcing option was both efficient and cost effective to Toshiba.

The solution

ECnet recommends the IPO module from the ECnet Pro series of solutions. The ECnet IPO solution integrates technology and services to support multiple functions and processes specific to Toshiba. It allows direct electronic links to more than 100 of Toshiba's trading partners and accepts a variety of communication protocols and formats for information exchange. The solution comprising Purchase Order Management and Delivery Management has been customized in accordance to Toshiba's business rules and processes. It serves to enable seamless integration of disparate systems and effective management of procurement and logistics functions.

Better information visibility

Toshiba derived significant results even from the first phase of implementation. The availability of delivery information to Toshiba before physical delivery saves time and manual verification efforts needed.

In addition, email alerts prompted the suppliers on their delivery schedules with the available information. With such improved information visibility, Toshiba gains better control of the procurement activities thereby achieving greater work productivity and enhanced supplier interaction.

About ECnet

Founded in 1995, ECnet's domain expertise in collaborative supply chain solutions as well as providing consulting, managed and IT services spans six countries in the Asian market and US. Our customers come from various industries like high-tech manufacturing, logistics, distribution, FMCG and retail. ECnet is headquartered in Singapore, with presence in US, China, Japan, India, Malaysia and Thailand. ECnet is a subsidiary of R Systems International Ltd.

Improved efficiency

ECnet provides a tool for the suppliers to create their delivery orders based on the purchase order schedules with multi-to-multi relationship. The time needed to create delivery documents are greatly reduced. "The increase in efficiency and accuracy of information improves the delivery performance by 15% and eliminates unnecessary discrepancies that arise from unmatched orders or inaccurate information. This contributes to 10% enhancement in fulfilment cycle time," commented Kobayashi.

Benefits to trading partners

Toshiba saw an increase in its suppliers' work efficiencies which resulted from reduced non-value add tasks such as faxing, emailing and following up. Time is focused on value added aspects like capacity planning and providing better customer service. With an almost real-time purchase order notification system, there were lesser late order responses. Visibility of target shipment date helps to reduce backorder and improves customer fill rate.

Toshiba's logistics service providers benefited from improved delivery order visibility, no delay or distortion of delivery order information, early alert to impending delivery and thus achieving better workspace planning.

Our Partner for Supply Chain Management

"ECnet has delivered real and substantial value with 15% increase in overall productivity. We look forward to a continued working relationship with ECnet to further scale our eSCM solution," Kobayashi concluded.



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