Overview to Teamcenter Product Lifecycle Sourcing

Closing the loop between your product procurement and product development processes

fact sheet

Siemens PLM Software

www.siemens.com/plm

▶ **Summary**

Siemens PLM Software teams with A.T. Kearney Procurement Solutions to facilitate Teamcenter® Product Lifecycle Sourcing software – a comprehensive range of software and services that product makers can use to digitally transform product procurement and sourcing and integrate these processes with the rest of the engineering and product development initiatives driven by product lifecycle management (PLM).

Defining Teamcenter Product Lifecycle Sourcing

Provides procurement and engineering teams with real-time access to a single source of product and process data

Streamlines information flow between your procurement and engineering teams and facilitates "closed loop" communications between purchasing and product development by leveraging intellectual capital created by these disciplines in otherwise isolated information silos

Enables product makers to eliminate duplicate parts/designs

Improves cost control of change orders during the design process

Eliminates time-consuming and resource-intensive cross-discipline transactions

Facilitates contractual savings derived by using preferred parts

Raises level of quality within your supply chain by selecting qualified suppliers

Improves your ability to track and manage ongoing product costs

Increases cost efficiency by facilitating purchasing-related economies of scale

Accelerates the delivery of more innovative products

Increases revenue generation

The challenge

In today's economy, even a modest improvement in the cost of doing business can yield a tremendous competitive edge. Leading companies recognize this and their executives are giving unprecedented attention to the procurement process as a means for improving shareholder value. Chief procurement officers are under pressure to minimize purchasing costs and enhance the value of their company's supplier relationships.
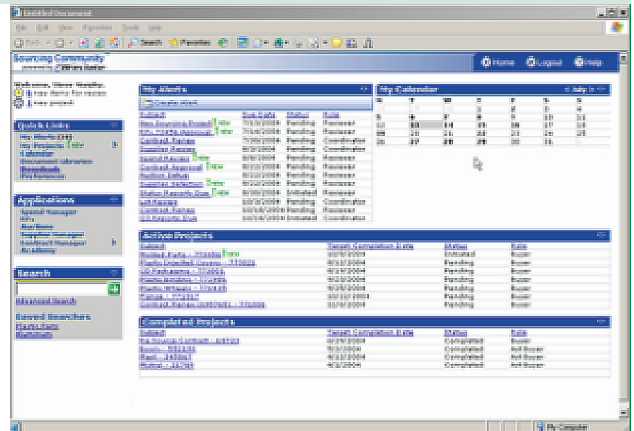
For example, consider the views of Abdallah F. Shanti, CIO and Vice President of Procurement and IT for American Axle and Manufacturing, who indicates "…as opposed to the old, traditional approach of going out and saying (to suppliers), 'Give me a 5 percent to 10 percent cost reduction', I'd rather work with them up front to design cost out of the product."[1]

However, poor information visibility, inefficient sourcing processes, maverick buying and minimal coordination between engineering and procurement teams prevent many companies from delivering these results consistently.

Delivering Teamcenter Product Lifecycle Sourcing

To address these issues and enable your engineering and procurement teams to collaborate effectively in both the sourcing and product development phases in your product lifecycle, A.T. Kearney Procurement Solutions and Siemens PLM Software combine their expertise and technology to deliver the industry's most robust and ambitious Teamcenter Product Lifecycle Sourcing solutions.

Teamcenter Product Lifecycle Sourcing leverages a comprehensive range of software and services that you can use to digitally transform your sourcing processes and maximize the innovative capabilities of your supply chain. You can start this digital transformation by providing your procurement specialists with state-of-the-market Teamcenter Sourcing technology that you can extend with Teamcenter's lifecycle management and collaboration capabilities.

TEAMCENTER **SIEMENS**

Yielded business results

Early procurement team involvement in the engineering process improves quality and cycle times by 10 to 20 percent (Aberdeen Group)

Integrating procurement and engineering processes across the entire development cycle delivers long-term cost savings, including:
- Over 17 percent reduction in goods and services cost (on average)
- Nearly 60 percent reduction in administration cost
- Over 15 percent reduction in part costs

Rapid cost savings of more than 10 percent results in early program benefits that immediately result in bottom line improvements

An aerospace company reports that it experienced a 50 percent increase in component re-use that resulted in a 5 to 15 percent decrease in the cost of its standard parts

An electronics manufacturer indicates that improving supplier collaboration reduced the lead-time required for tool development by 80 percent

Leader in proven results

Up to 70 percent reduction in sourcing cycle time

Over $125 billion in spend sourced

More than 235 worldwide customers in 60 industries

Over 970 distinct categories executed online

More than 8,000 internet negotiations complete

Over 53,000 participating suppliers

Average auction savings of nearly 18 percent

These Teamcenter extensions enable you to create an innovation chain that leverages the aggregate knowledge of your entire supply chain – including the knowledge, experience, best practices and lessons learned from your own engineers, as well as from engineers who work for your suppliers.

Siemens PLM Software solutions delivered by A.T. Kearney

Teamcenter Sourcing is provided through a relationship between Siemens and A.T. Kearney Procurement Services. Siemens is the world's leading PLM company. By digitally transforming the product lifecycle from product planning to concept design to product retirement, Siemens' Teamcenter software enables companies to maximize the value of their product offerings and translate this value into tangible bottom line results.

Teamcenter Sourcing solutions are delivered by A.T. Kearney Procurement Solutions, a company that helps businesses maximize their bottom line results by providing market-driven content and flexible value-added services. A.T. Kearney Procurement Solutions empowers today's purchasing constituencies by enabling them to play a vital role in sharpening their business operations and facilitating business initiatives that run the gamut from cost containment to supplier relationship management.

By combining A.T. Kearney Procurement Solutions' services with Siemens' Teamcenter Sourcing technology, your company has an unparalleled opportunity to transform its sourcing processes, incorporate these improvements with the rest of your PLM initiatives and turn your supply chain into fully functioning "innovation chain" that can:
- Address the needs and product requirements of today's global markets
- Facilitate early supply chain participation in your product development process
- Increase supply chain visibility (i.e., enable suppliers to understand your entire product lifecycle)
- Integrate process-driven workflows across your engineering and procurement teams

Teamcenter Product Lifecycle Sourcing	Underlying capabilities
Technology from Siemens	*Teamcenter Sourcing capabilities powered by eBreviate* *RFP and sourcing surveys* **Sourcing Community** Deal Management Spend Management Auctions *Teamcenter lifecycle management and collaboration capabilities* Integrated intellectual asset management Real-time collaboration tools Universal desktop availability
Services from A.T. Kearney Procurement Solutions	*Spend reduction solutions* Category sourcing Accelerate Your Savings Leverage Sourcing Networks (LSN) *eSourcing support solutions* Supply market solutions Academy of Excellence Data management group

Teamcenter Sourcing powered by eBreviate

Teamcenter Sourcing leverages Siemens' eBreviate technology as the foundation for its suite of online eSourcing solutions. Teamcenter Sourcing can be delivered by an ASP model or as licensed software. Each module within the eSourcing suite of products is designed to support a step in the strategic sourcing process by accelerating the time it takes to source goods and services and delivering cost savings results. Teamcenter Sourcing provides software solutions for:

RFPs and sourcing surveys. Support automatic distribution of an RFP or survey, easy online questionnaire completion, automated supplier communications and improved response analysis.

Sourcing Community. Provides sourcing teams with a collaborative workbench to capture all of the knowledge and information gained during a sourcing effort to reduce negotiation time and implement supplier contracts. Sourcing Community delivers a collaboration environment based on the Microsoft platform that extends the reach of user desktops through the common Widows-based and Office-based environment and Microsoft's SharePoint Services. By extending Teamcenter Sourcing and Teamcenter's open PLM foundation to every user desktop, your company reduces lost time and cost associated with incomplete communications and inaccessible information.

Deal management. Provides enterprise communications tools to market strategic supplier agreements and inform employees about new contracts.

Spend management. Tracks spending across your enterprise by business unit, location, supplier, commodity and diversity supplier classification to leverage purchasing power and allow procurement professionals to quickly target sourcing opportunities.

Auctions. Enable procurement teams to bring the negotiation process online with total cost functionality that allows bidding on price and non-price components, resulting in reduced sourcing cycle times, true price transparency and tremendous cost savings.
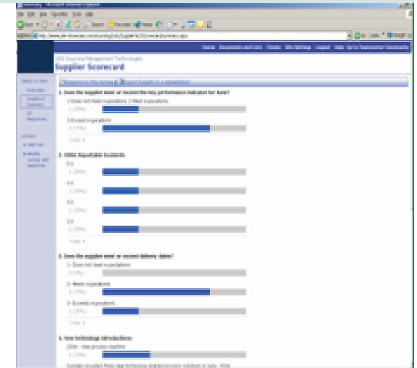
Teamcenter lifecycle management and collaboration capabilities

By extending the Teamcenter Sourcing suite with Teamcenter lifecycle management and collaboration capabilities, your company can integrate its procurement process with the rest of the digitized stages in your product lifecycle. These integrated capabilities enable you to closely align your procurement process with your engineering process so that:

- Suppliers are able to fully understand your product requirements, supply chain needs and product definitions.
- Development teams are able to assess each prospective supplier in terms of its design content, cost efficiencies and product quality, as well as the supplier's overall capabilities and overall qualification.

To facilitate these objectives, Teamcenter collaboration capabilities deliver the following functional capabilities:

Product knowledge management. Provides a single source of requirements, product, procurement, and process knowledge that potential suppliers can access to understand your product definitions and configurations as they evolve across your product lifecycle. Equally important, you can quickly extend this base of knowledge by adding supplier information that your development teams can access to determine content and process responsibilities of every team member.

Real-time collaboration tools. Enable your supply chain to quickly join and fully collaborate with the your development team in a real-time PLM community. Teamcenter collaboration tools include virtual conferencing, application sharing, 3D visualization, CAD-based collaboration, personalized portals, instant messaging and other interactive capabilities that enable your suppliers to confer, brainstorm, exchange information and test innovative ideas with other product developers.

Universal desktop availability. Enables every entitled user in your supply chain to securely access and use a single source of lifecycle knowledge without leaving their desktops or having to engage in any special training. Teamcenter is especially adept at capturing your supply chain's structured knowledge and unstructured expertise and integrating it with the rest of your company's managed lifecycle knowledge.

Spend management solutions

A.T. Kearney Procurement Solutions offers full service sourcing consulting, pre-negotiated frame agreements and supply-chain enabling technology that delivers immediate savings and efficiencies. These solutions include:

Category sourcing. Provides a complete full-service category sourcing solution that includes eSourcing management, sourcing content, templates and technologies to completely support your sourcing needs.

Accelerate Your Savings. Delivers immediate benefits by providing access to a full range of cost-saving technologies, solutions and best-in-class content using a phased approach, which is funded through a portion of negotiated savings.

Leveraged Sourcing Networks (LSN). Delivers significant, immediate savings by leveraging the combined purchasing power of LSN consortium members in more than 30 indirect supply categories.

eSourcing support decisions

A.T. Kearney Procurement Solutions addresses unique sourcing requirements by delivering custom solutions that leverage the company's expertise, experiences and global partnerships. By providing the following types of research, customized technologies and experienced resources, A.T. Kearney Solutions supports specific client needs and ensures that each client's sourcing teams are fully equipped to meet their business objectives.

Supply market solutions. Provide best-in-class online templates for RFPs and auctions, as well as supply market reports and category analyses for a broad range of categories. Custom research can also be performed.

Academy of Excellence. Constitutes a multi-level training program that provides both live and web-based training, as well as supplementary online manuals, simulated practice sessions and help desk support for the eBreviate suite.

Data management group (customized technologies). Helps clients efficiently analyze large volumes of data and support their complex eSourcing needs.

[1] *Supply and Demand Chain*, December 2003/January 2004.

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