External products and services are often integrated in IT development, production and operation processes. The share of external services is increased to reduce internal “vertical integration.” This trend is supported by standardized service offerings from external providers. In particular, cloud services are highly attractive when it comes to functionality, quality and costs and so are seen as an alternative to in-house services. Yet that also entails an increase in the number of suppliers and the frequency with which they are changed. The result is higher costs and effort in assessing, selecting and engaging suppliers.

Objectives

- The Valuemation Supplier Manager helps you administer your suppliers centrally, as well as control and assess them efficiently. You obtain answers to two key questions arising from the use of external suppliers:

  - **Operationally:** From which suppliers can current requirements be best procured?
  - **Strategically:** How can procurement be optimized in terms of risk and efficiency?

Valuemation enables you to

- Create transparency on the operational and strategic importance of your suppliers by classifying and continuously assessing them
- Identify risks resulting from dependencies or lack of delivery quality and respond to them in good time
- Cut the costs, time and effort involved in collaborating with suppliers by means of efficient, standardized supplier management processes

Overview of supplier assessment and entry screen
Classifying Suppliers

Suppliers are grouped from the operational perspective by the products and services they can supply. However, they are also classified by strategic aspects. Classification as an A, B or C supplier indicates the respective supplier’s importance for the company placing the order. This classification can be defined on the basis of criteria you specify. The sales/delivery volume is often used for it, for example. However, risk assessments are also just as important in order to be able to evaluate the dependence on individual suppliers and so reduce concomitant risks such as non-delivery or price increases.

Maintaining Suppliers

The Valuemation Supplier Manager offers you a 360° view of all data: Address data, bank and billing information, certifications, voluntary disclosures and contractual documents can be stored for each supplier. A list of all orders and contracts for a supplier is also displayed. A transaction history contains events relating to a supplier, such as phone calls, price negotiations, escalation meetings or general observations by the clerk as part of current order placements.

Assessing Suppliers

Continuous assessment of suppliers is a key measure in identifying who offers the best value for money. As part of this, it is not only the quality or price of purchased products or services that are evaluated, but also the purchasing, delivery, billing and support processes. The Valuemation Supplier Manager allows you to define assessment criteria to suit your internal requirements and schedule assessment periods and activities. For instance, an assessment cycle of six months for each A supplier can be set. The responsible persons are automatically informed of the assessment activities that have to be carried out. Every single criterion is then assessed – either using grades or in the form of percentages. Analyzing the overall grade over time shows you the direction in which the supplier is developing at all times and whether adopted measures are also having the desired impact.

Defining Process Roles

The Valuemation Supplier Manager lets you define different process roles that discharge different tasks in supplier management and so have different permissions. As a result, several persons with different roles can be responsible for each supplier. This role definition can be used to implement a governance model that specifies a binding framework for all activities as part of supplier management.