Gaining Value with Supplier Collaboration using Sourcing

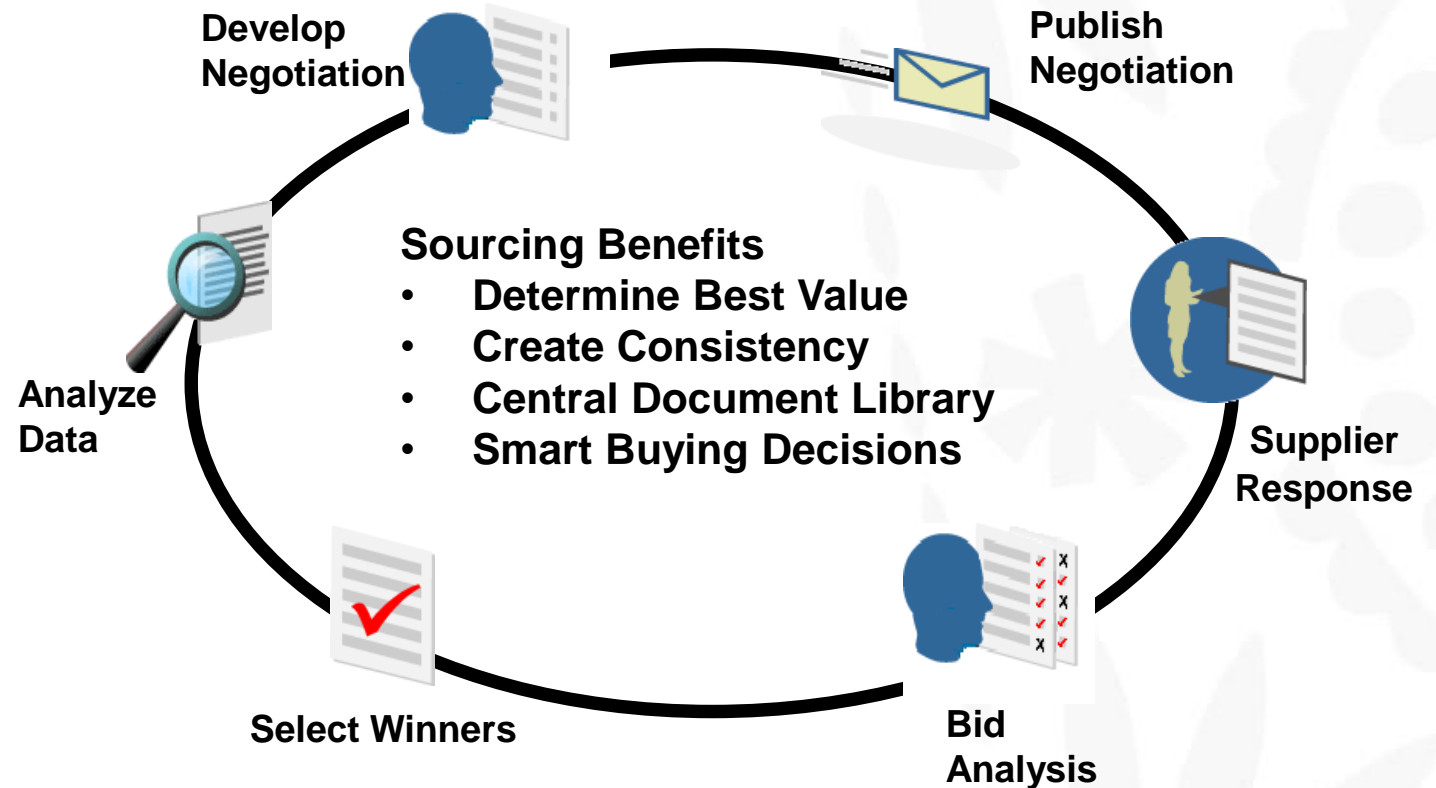**Prepared by:**
Cal Kondratiuk – O2Works
Anita Bedford – Sparton

April 2019

Remember to complete your evaluation for this session within the app!

Agenda – Sparton Sourcing Collaboration

- Introduction to Sparton
- Project Overview
  - Objectives
  - Rewards/Risks
- Sparton Sourcing Overview
  - Configuration
  - Processing
- Implementation
  - Project Phases
  - Production

Develop Negotiation

Publish Negotiation

Analyze Data

Sourcing Benefits
- **Determine Best Value**
- **Create Consistency**
- **Central Document Library**
- **Smart Buying Decisions**

Supplier Response

Select Winners

Bid Analysis

About Sparton

- Distinct Business Segments
  - Medical and Biotechnology
  - *Military* and Aerospace
  - Industrial and Commercial
- Quality Designations
  - 21CFR820 – Quality System Regulation
  - ISO13485 – Medical Devices
  - ISO14791 – Risk Management
  - ISO9001 – Quality Management
  - ITAR EN/ISQ/AS9100
  - FAR – Federal Acquisition Regulation

Sparton addresses the electronic manufacturing process better than the rest.

Quality   Unique Demands   Innovation

About O2Works

O2Works is one of the leading E-Business Suite services providers offering the most experienced teams of functional and technical consultants in the industry. Our hands-on *resources average 20+ years of experience* focused exclusively on implementing, upgrading, integrating, and extending Oracle's E-Business Suite. Stop by and talk to us about our large portfolio of successful projects.

Stop by and visit us at Booth 601 in the Exhibition Hall

Presentations, White Papers, and other information shared on-line at: **https://o2works.com/knowledge-works/**
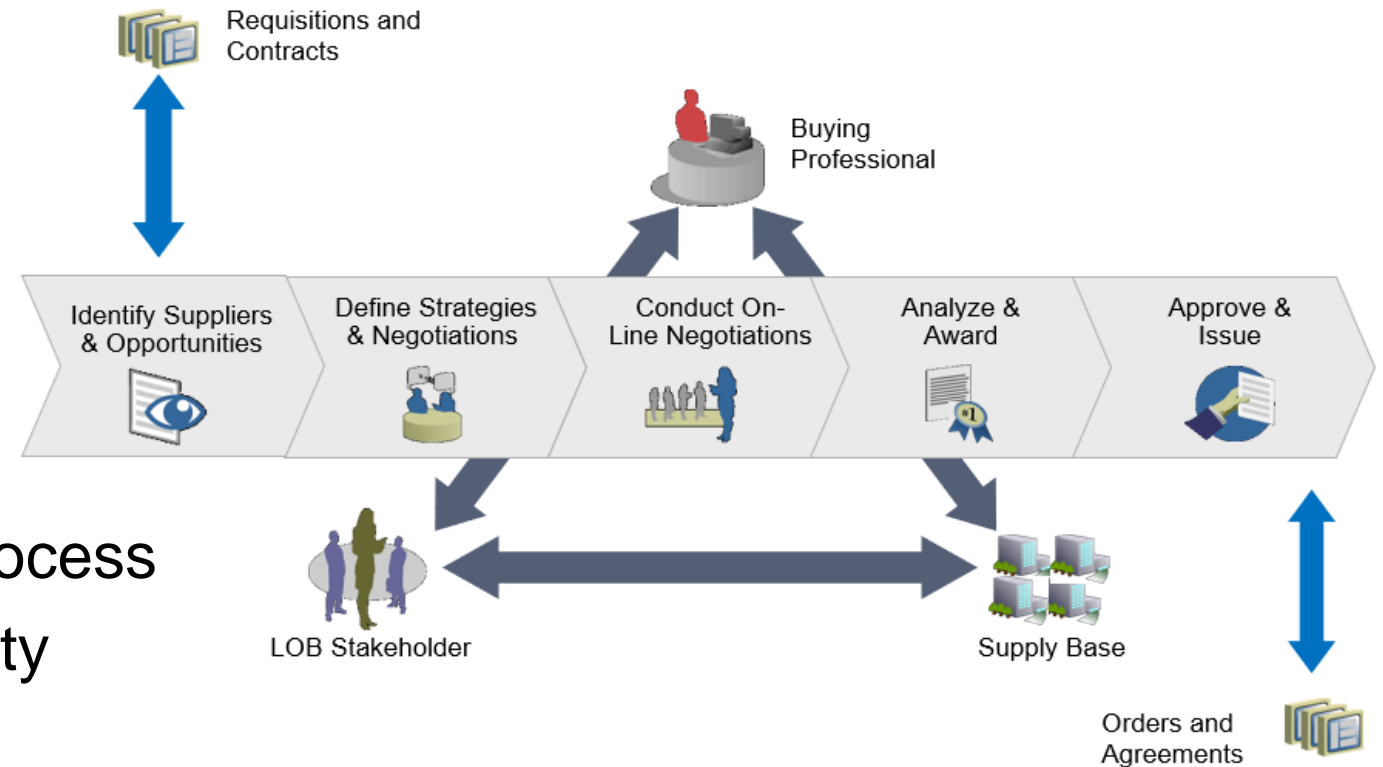
Project Overview

Previous Sourcing Environment

- **Manually** Intensive Sourcing Process
- Prone to Data **Errors**
- **No Reusable** Structure
- Separate **Offline** Documents
- **Not Linked** with Email Processes
- **No Automation** with Procurement Activity
- **Not using** Sourcing Rules or Approved Supplier Lists

IDIQ

NPO

Oracle Sourcing Environment

- **Integrated** Sourcing Process
- **Reduce/Eliminate** Data Errors
- **Reusable** Structure
- All Steps **On-Line**
- **Email** Notifications throughout Process
- **Integrate** with Procurement Activity

Project Overview

- **Project Duration** - initiated Aug-2018, go-live Jan-2019
- **Rollout** - utilized a typical DEV, TEST, to PROD rollout
- **Focus** - implementation for all IDIQ and NPO transactions
- **Functions** - deployed RFI, RFQ, & Auction functionality, not using rolling out Initiatives and Sourcing Intelligence in this initial phase
- **Three Extensions**
  - Sourcing Document, Negotiation Status, and BOM Sourcing Report
- **Personalizations** - alterations for minor field adjustments
- **Six Service Requests**
  - Ship-To on Breaks, Closed Notification, Search by Item, cached_pon_SourcingSelling.htm, UOM Display, and global_logouticon_enabled.gif.

Realized Benefits with Sourcing

- **Source for the best value**
  - Combine expertise for higher quality at lower price
  - Evaluate tangible and intangible costs
  - Balance price, quality, delivery dates, etc.
- **Improve operational performance**
  - Drive optimal results by re-using best practices
  - Increase effectiveness without increasing staff
  - Make faster award decisions
- **Create immediate and long-term savings**
  - Leverage knowledge from past sourcing events
  - Reduce cost of ownership via built-in integration
  - Reduce costs through competitive bidding

Lessons Learned

- **Notifications**
  - Evaluate each notification message text and change as needed.
  - Test each notification – all responses!
  - Include notification subject in overview and training.
- **External Server**
  - Start this initiative early in the project.
  - Use external users in acceptance testing if possible.
  - Evaluate which browsers, versions you will support for external users.
- **Caching**
  - Example; setup a new unit of measure that is not displayed in Sourcing.
  - Communicate to users on the expectations.
- **Support**
  - Determine support needs for external audience during implementation.
  - Evaluate use of training environment for external users.
  - Ensure Buyers are aware of all features (e.g. use of To Supplier on attachments).

~~Sourcing~~
iProposal Overview

#C19TX

iProposal Functionality

- **Tailored Features**
  - Image File - **oracle_logo.png** in 12.2.5
  - Home Page - set *Local Login Hide Items* profile
  - Copyright - *FND_COPYRIGHT* message
  - Application Name – *PON_SOURCING_BRAND* function
  - Information File – **cached_pon_SourcingSelling.htm**
  - Workflow Mailer – Use company name

  - Document Sequences
    - PON_AUCTION_HEADERS_ALL_S
    - PON_BID_HEADERS_S
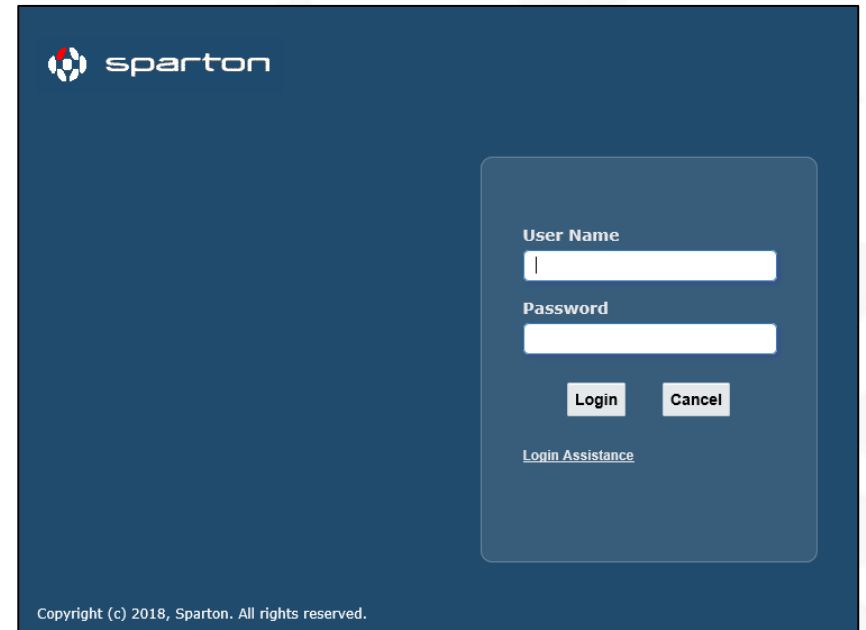
From: Sparton Development Mailer <OracleERPMailer@sparton.com>
Sent: Thursday, February 21, 2019 9:20 AM
To: CAL KONDRATIUK <ckondratiuk@o2works.com>
Subject: Action Required: You are invited: RFQ 100013 (Testing)

iProposal Functionality

- **User Registration**
  - Managed by Sparton Buyers
  - Personalized required fields
  - Using certification reminders

- **User Invitation**
  - Not using this functionality.

- **New Supplier Registration**
  - Sparton Buyer owns approval of RFQ Only suppliers
  - Using the *Request for Information* with new suppliers

Will use Supplier User Administration functions with iSupplier Portal rollout

Register a Supplier User

* Indicates required field

* Supplier Name Add new suppliers using the Create Supplier form in Purchasing.   ABC Corporation

* Supplier Number   1000801

User Information

* Email   bob@abc.com

* Username By default, the user's email address will be used as their Username for the system.   bob@abc.com

Contact Title   Mr.

* First Name   Bob

Middle Name

* Last Name   Abercrombie

* Job Title   President

iProposal Negotiation Creation

- **Header**
  - All Negotiations are **Blind**
  - Using **Standard Negotiation**, Not Large
  - Standard Order, Blanket Agreement results
  - Demand workbench or Direct entry
  - Adding View Only members if appropriate
  - All transactions in the **USD** Currency
  - Adding **Attachments** when appropriate
  - Using **Requirements** when appropriate

Create RFQ 100011: Header

Header
Lines
Controls
Suppliers

* Indicates required field

* Title	Test
Negotiation Style	Standard Negotiation
Quote Style	Blind
Event	
Security Level	Public
Sourcing Project	10016
Description	

Collaboration Team

Select Members: Notify

	*Member	Approver	Access	Task
	Kondratiuk, Cal		Full	
	Webb, Mr. Steven		Full	

Select Requirement: Add Section | Add Requirement | Move | Delete | Actions Equalize Weights | Go

Expand All | Collapse All

	Focus	Title	Type	Target	Weight	Maximum Score
		Requirements				
	⊕	Locations				
		Are you ISO Certified?	Supplier Required		100	5

iProposal Negotiation Creation

- **Lines**
  - Using **Line** standards as displayed in screen shot displayed above.
  - Use **Price Breaks** on IDIQ items across years.
  - Using **Cost Factors** for added Supplier and Buyer costs as shown below.
  - Using the **Import Lines** and **Import Price Tiers** when necessary.

iProposal Negotiation Creation

- **Controls**
  – Using Rule Values from Sourcing Template
  – User may override values when necessary

- **Preview Date** – set to Immediate
- **Open Date** – set to Immediate
- **Close Date** – as Needed
- **Award Date** – not Using

Response Rules

- ☑ Restrict to invited suppliers
- ☐ Allow supplier to select lines on which to respond
- ☐ Display best price to suppliers
- ☐ Allow multiple responses
- ☐ Allow Quote Withdrawal
- ☑ Require award approval
- ☐ Allow manual close before the Close Date
- ☐ Allow manual extend when the negotiation is open
- ☐ Allow Alternate Lines on Supplier Responses
- ☐ Allow Staggered Awarding

iProposal Negotiation Creation

- **Suppliers**
  - Using **Supplier Name** search
  - Using **Supplier Lists**
  - Will deploy **Commodities** and new **Category** structure the near future

iProposal Negotiation Publish

- **Process**
  - Supplier **Action Required: You are Invited** Notification
  - Supplier Response (Including Timeout)
  - Document Buyer/Supplier Review
  - We are **not** using terms and conditions

Negotiations > RFQ: 100014 >

Acknowledge Participation (RFQ 100014)

Will your company participate?   ◉ Yes
                                 ○ No

Note to Buyer   Yes, we will include pricing for Project 10014.

SD   Sparton Development Mailer <OracleERPMailer@sparton.com>   CAL KONDRATIUK
     Action Required: You are invited: RFQ 100014 (Sample)

From   **Kondratiuk, Cal**   Company   **Sparton**
To   **CAL KONDRATIUK**   Title   **Sample**
Sent   **28-FEB-2019 16:24:02**   Number   **100014**
Due   **04-MAR-2019 22:13:43**
ID   **163758**

Negotiation Preview **GMT Not specified**
Negotiation Open **February 28, 2019 04:23 pm GMT**
Negotiation Close **March 04, 2019 10:13 pm GMT**
Supplier **ABC Corporation**
Supplier Site

To acknowledge your intent to participate, press the Yes button on this page. To decline the invitation, press the No button. You may enter a note to the buyer in the space below before acknowledging or declining.

If not logged in, please go to Login and view Negotiation Details page or If already logged in, Please go to Negotiation Details page if you want to view the document before acknowledging intent to participate and/or to enter a response.

Action History

Num	Action Date	Action	From	To	Details
1	28-FEB-2019 16:24:02	Submit	Kondratiuk, Cal	CAL KONDRATIUK	

Please click on one of the following choices to automatically generate an E-mail response. Before sending the E-mail response to close this notification, ensure all response prompts include a desired response value within quotes.

Yes No

iProposal Supplier Quotation Response

- **Process**
  - No unique requirements at header or line
    - Header – Quote Valid, Reference, Note to Buyer, Requirements, and Attachments
    - Price Breaks – entered by price or discount %
    - Cost Factors – entered if Supplier initiated
  - Quote by Spreadsheet available as needed

Focus	Title	Target Value	Quote Value
	◢ Requirements		
⊕	◢ Locations		
	Are you ISO Certified?		Yes ⌄

Negotiations > RFQ: 100014 >

Create Quote: 100003 (RFQ 100014)   Cancel View RFQ Quote By Spreadsheet Save Draft Continue

Title Sample

Time Left   4 days 5 hours
Close Date 04-Mar-2019 22:13:43

Header   Lines

RFQ Currency   USD   Quote Currency   USD
Price Precision   Any

Line	Rank	Start Price	Target Price	Line Price	Quote Price	Unit	Estimated Quantity	Target Minimum Release Amount	Minimum Release Amount	Quote	Upd
1 Widget, Test ◎	Blind	10.5		9	8.8	Each	1,000			Yes ⌄	✏

◎ Indicates more information requested. Click the Update icon.

iProposal Negotiation Close

- **Process**
  - Buyer Lets Negotiation Close or Manually Closes
  - Based on Negotiation
    - Buyer selects Winner(s)
    - User Approves Award as necessary
    - Buyer creates Purchasing Document if necessary

Advanced Procurement – Future Goals

Manage Contracts, Categories & Suppliers

- Supplier Performance
- Expirations & Renewals
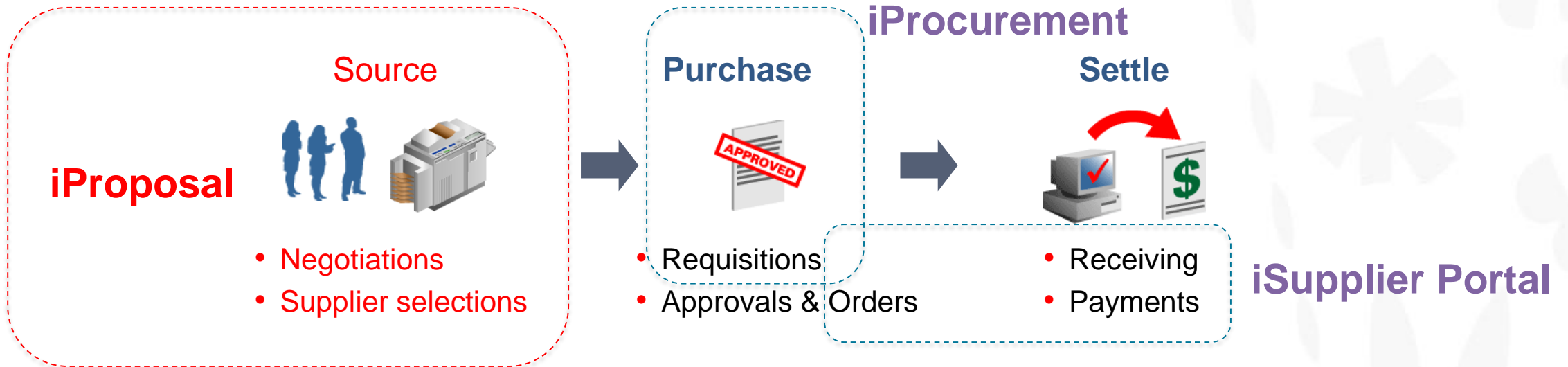
iProcurement

iProposal

Source
- Negotiations
- Supplier selections

Purchase
- Requisitions
- Approvals & Orders

Settle
- Receiving
- Payments

iSupplier Portal

APPROVED

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anita.bedford@sparton.com

Session ID:

10687

Remember to complete your evaluation for this session within the app!