



BUYER PROFILE

COMPANY: MTU Friedrichshafen GmbH

HEADQUARTERS: Friedrichshafen, Germany

WEB SITE: www.mtu-online.com

When sourcing processes **became fragmented** and managing incoming bids got complicated, MTU Friedrichshafen turned to LiveSource to **streamline and simplify** these critical processes.

BACKGROUND

MTU Friedrichshafen (MTU) manufactures diesel engines that power heavy-duty vehicles, trains, ships and industrial equipment. Around the world, customers in industries from oil and gas production to agriculture, mining, and transportation rely on MTU's powerful custom engines to drive their businesses.

OPPORTUNITY / CHALLENGE

MTU's enormous and powerful engines are comprised of a great number and variety of parts. A purchasing team of more than 40 professionals works hard every day to ensure that the needed materials – almost € 800,000,000 worth of parts annually - arrive at the right place at the right time. To deliver the high quality, dependable engines for which MTU is known, the company must have capable, quality suppliers for every part. With locations worldwide, an extremely high volume and great diversity of parts needed, procurement can get complicated.

Until a few years ago, a good portion of the purchasing process at MTU was handled locally, resulting in a lack of standardization. In addition, bids received were often difficult to compare because suppliers were not always meeting the requested RFP requirements.

MTU wanted to increase efficiency and standardization without dismantling its existing sourcing process and supplier base.

SOLUTIONS

After carefully researching a range of options, MTU turned to LiveSource, the global supplier management solution that combines the power of the industry's leading manufacturing marketplace with an exceptionally robust e-sourcing and global supplier management platform. One major advantage of LiveSource was that MTU's existing suppliers could join the marketplace for free, allowing MTU to maintain its foundation of great suppliers and making it easy for them to adopt the new system. With 350 existing partners, a great number registered immediately on the marketplace and another 100 were already members.

“All processes
are now
significantly
faster
than before.”



BUYER PROFILE

COMPANY: MTU Friedrichshafen GmbH

HEADQUARTERS: Friedrichshafen, Germany

WEB SITE: www.mtu-online.com

When sourcing processes **became fragmented** and managing incoming bids got complicated, MTU Friedrichshafen turned to LiveSource to **streamline and simplify** these critical processes.

SOLUTIONS (CONTINUED)

The organization's transition to LiveSource was seamless, posing minimal burden on the MTU IT department. With the clean, intuitive user interface and customizable views, the purchasing team was able to get up to speed on the platform quickly. Acceptance among colleagues was so high that virtually all request for materials were instantly handled via LiveSource.

Another advantage of LiveSource was the product's flexibility to integrate with the company's SAP system, where MTU manages processes and documentation. For example, SAP houses more than 200,000 different product designs and plans. The integration between SAP and LiveSource enables automatic attachment of appropriate drawings to RFQs on the platform. This is a huge time saver, as well as an enormous convenience, as previously the plans were sent via email, and often caused technical problems due to the large file sizes. Using LiveSource, MTU can control access to documents and also easily track which suppliers have received and viewed these plans, helping MTU safeguard its intellectual property.

RESULTS

Three years after the initial adoption of LiveSource as their sourcing platform, employees agree that the purchasing department is faster, more efficient, enjoys better collaboration with suppliers. "All processes are now significantly faster and smoother than before. In addition to significantly lower costs in the buying process, MFG.com pays for itself by saving us a considerable amount of time." Alexander Dangel, Director of Purchasing at MTU Friedrichshafen.

Some results that MTU has obtained:

- Streamlined procurement processes for consistency and savings
- Ability to quickly identify and on-board new, qualified suppliers
- Increased efficiency for reduced labor costs and ongoing savings

"MFG.com pays for itself by saving us a considerable amount of time."