

Spend Management System (SMS)

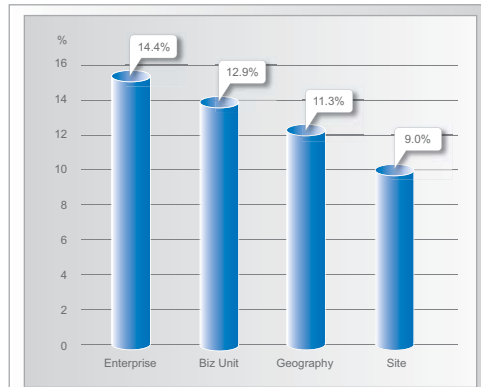
The Vendigital Spend Management System is an online application designed for the modern purchasing environment. The SMS is a unique combination of active contract management, spend visibility and advanced reporting. The SMS draws "live" data from single or multiple ERP/ MRP systems and employs a robust cleansing process to ensure data integrity. The SMS provides instant accessibility to current and historic spend data via a secure and user friendly interface.

➤ "Firms who can clearly see all their spend save substantially more money than those who do not."
From 2002 Aberdeen Group, Inc. & Penton Media, Inc.

The SMS takes a feed of delivery information from existing ERP/MRP systems. Data integrity is maintained to an extremely high level through an exception and validation process. Buyers are actively alerted to erroneous or missing data that can then be easily corrected. By conducting this on a periodic basis, the exercise remains small and manageable and the data remains clean.

Spend Visibility

Data is viewable by part, supplier, supply category, site, buyer, platform or BOM. This means that multi-site companies can easily identify consolidation & leverage opportunities. As a secure, online application, the data can be viewed at a site, division or aggregated global level with flexible viewing rights set up to suit each company.



Percent Spend Reduction by Scope of Data Analysis

From 2002 Aberdeen Group, Inc. & Penton Media, Inc.

"The majority of companies with formal spending analysis programmes were able to reduce total spending between 1% and 20%."

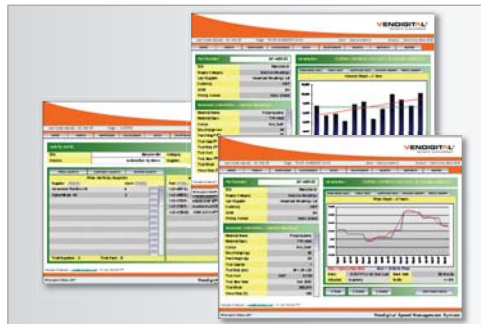
Active Contract Management

Alert functions include contract expiry, rebate threshold alerts and tooling amortisation volume alerts. All of these act as an additional pair of eyes for a buyer and are tremendous aids to managing spend and ensuring unnecessary cost is not incurred.

In addition to contract management, individual part numbers can be linked to multiple material indices from any source e.g. LME / ISIS LOR / PLATTS. The SMS will track actual pricing against these indices and will raise an alert if the price of a component deviates by more than a specified amount from the market price. This gives the buyer an instant understanding of the impact of movements in the material commodity and currency markets – a powerful negotiation and forecasting tool.

Reporting and Analysis

The SMS has extensive reporting and analysis functionality. Reports can be fully bespoke and can report spend in a number of different ways as well as savings, based either on actual deliveries or on forecasts. Sensitivity analysis allows the creation of "what if" scenarios to ascertain exposure to movements in raw material or currency fluctuations. For example, you could run a report to find out what the financial impact would be across your company if stainless steel rose by 20% over the next 12 months.



Hosting

Because the SMS is an on-line application there is no lengthy and complicated integration or implementation process. Part number details and delivery data are simply exported from existing MRP systems before being mapped, validated and uploaded into the SMS by Vendigital. If preferred, the system can be implemented as a stand-alone application behind company firewalls.

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