

On-Demand Procure-to-Pay Solution for Global Expansion Initiative



THE COMPANY

Carl Zeiss is a global leader in the optical and opto-electronic industries, manufacturing a variety of optical and related products, for use in the medical equipment, industrial, and lifestyle industries. Carl Zeiss' products include microscopes, precision measuring systems, eyeglass lenses and frames, camera lenses, surveying equipment, and riflescope lenses. Other products include industrial measurement equipment and lenses used in planetariums and astronomical instruments. Carl Zeiss has production centers in Europe, North America, Central America and Asia with headquarters in Oberkochen, Germany. In 2007, Carl Zeiss SMT AG received the Innovation Award in the German Industry for its immersion optics. www.carlzeiss.com

THE OBJECTIVES

- Carl Zeiss needed a procure-to-pay solution to automate their business processes that included procurement, robust catalogs and content, and the ability to execute electronic transactions through a central hub.
- Rapid implementation was critical, with seamless integration to current SAP® ERP application.
- Improve spend under management for increased contract and regulatory compliance to drive cost savings to the bottom line.
- Decentralize procurement for reduction of administrative tasks of central procurement while empowering each business unit.
- Detailed workflow process with response to meet regulatory requirements.
- User-friendly platform with streamlined content for increased usability and compliance globally across subsidiaries.

THE SOLUTION

On-Demand eProcurement, Content Management and Supplier Collaboration Hub

- **eBuy** - online requisitioning and procurement for automation of procurement processes.
- **eConnect** - collaboration hub for fast, secure exchange of electronic documents for buyers and suppliers, from order to invoice.
- **eContent** - creation and support of supplier catalogs with sophisticated search capability.

ON-DEMAND ePROCUREMENT, eCONTENT AND SUPPLIER COLLABORATION HUB

- Rapid implementation in 5 months with seamless integration to current SAP® ERP.
- Automated procure-to-pay solutions to streamline processes for global expansion initiative.
- Detailed document workflow with automated response for compliance requirements

SOLUTION HIGHLIGHTS



"We needed a cost-effective procurement solution that could be deployed quickly to meet our global expansion plans. Hubwoo understood our business needs and processes, delivering an On-Demand SRM solution that integrated seamlessly with our internal SAP®

ERP application, giving us the automation and efficiency needed for global expansion."

Werner Kalbfuß

Vice President Corporate Purchasing
Carl Zeiss

Company

- Global Fortune 500® Company
- Industry: Optical and opto-electronics manufacturing
- 2007 Revenues: € 2.6 Billion Euros
- Employees: over 12,200
- HQ in Oberkochen, Germany; offices in 30 countries with representation in over 100 countries

Challenge

- Insufficient procurement system lacked automation, required significant maintenance, and caused administrative burden on central procurement. Needed automation for critical group-wide global expansion initiative.

Results (Initial Year 2007)

- Over 800 users
- 22,000 transactions annually
- 16 catalogs with over 650,000 SKU's
- € 3.3 million Euros annual spend value

KEY BENEFITS

Rapid Deployment

- Deployed in 5 months with seamless integration to internal SAP ERP application.

Enhanced Compliance

- Detailed workflow design for high compliance to meet stringent country regulations.
- Improved catalog and contract management with sophisticated search capability for greater adoption rate.

Collaboration Hub for Automation

- Process automation with a central transaction hub for improved efficiencies and reduced processing time.
- Reduced administrative tasks allowing staff to focus on core competencies.
- Decentralized procurement, delegating purchasing process with a high level of transparency for reduction of workload for central procurement.
- Greater spend visibility.

On-Demand/SaaS Solution Advantage

- On-Demand/SaaS solutions provide application management with regular patches and updates of all modules, allowing IT staff to focus on core competencies.

Solution Synergy

- Hubwoo's Powered by SAP® solutions and technology integrate seamlessly and complement SAP® ERP applications, accelerating the ROI.

POWERED BY



SAP® Certified
Powered by SAP NetWeaver®

“Outsourcing procurement-related activities such as catalog enablement and management of supplier transactions to a third-party brings advantages of economies of scales and lowers the total cost of ownership for both the enterprise and supplier.”

E-Procurement: Trials and Triumphs,
Aberdeen Group, October 2007

- **SAPConnect** - seamless integration to SAP Xi platform to connect buyers to their collaboration hub.
- **EasyOrder** - RFP tool for purchasing of items not found in electronic catalogs.
- **Hubwoo Services** - customized detailed workflow with automated response for secure document tracking.

Carl Zeiss chose Hubwoo because of their understanding of the Company's business needs and processes, their e-Procurement expertise, and their SAP application focus and deep product and integration knowledge. Hubwoo's On-Demand solutions provided an electronic procure-to-pay system within 5 months that included the standard functionalities of SAP® SRM in addition to robust features developed by Hubwoo such as searchable content and a streamlined supplier collaboration hub. Hubwoo's solutions gave Carl Zeiss the automation and efficiency needed to meet their critical global expansion initiative, and their proprietary technology complements Carl Zeiss' current internal SAP application, adding tremendous value and accelerated ROI.

Hubwoo Services provided Carl Zeiss with a detailed document workflow to meet stringent country regulations. In addition, Hubwoo manages the applications on an ongoing basis, including all patches and upgrades, allowing Carl Zeiss to focus on core competencies and avoid costly additional headcount for specific technical skills and application management.

THE RESULTS

Hubwoo's solutions integrated seamlessly with Carl Zeiss' back-end application, automating and optimizing their internal and external business processes. As a result, transaction costs have been lowered and contract compliance has increased for greater cost savings. In addition, decentralization of the procurement process has empowered each business unit while relieving the central procurement department of administrative tasks, giving them more time for core competencies such as price negotiations.

THE FUTURE

Carl Zeiss plans to expand their On-Demand eProcurement solution to several more countries in Europe and the Americas. They are implementing a multi-supplier catalog in English to support this expansion to the America's, and encourage user adoption in all subsidiaries for continued global expansion and greater contract compliance.

About Us: Hubwoo enables purchasing organizations to concentrate on their strategic mission of supplier relationship management, automating their business transactions with an integrated suite of tools, processes and services delivered On-Demand/ Software as a Service (SaaS). With a global customer base that includes over 150 of the world's leading companies and over 20,000 suppliers online in 44 countries, Hubwoo manages the largest Business-to-Business e-Purchasing community in the world. Hubwoo operates internationally, and has a strategic partnership with SAP AG as a BPO partner with Powered by SAP® certification. Hubwoo is based in France with offices in Germany, Belgium, UK, Netherlands, USA, India and the Philippines.