

Lindsay Manufacture Sourcing Project

E Business Procurement

Agenda

- Problem Definition
- System Goals
- System Benefits
- System Architecture
- System Sample Demonstration
- System Costs
- Next Steps

Problem Definition

- Lindsay seeks to *reduce the cost* of manufacturing products using foreign suppliers
- By evaluating the cost components of their suppliers they may assist the suppliers in minimizing their cost in areas such as
 - Raw Materials
 - Transportation
- Later suppliers may be evaluated on their performance in quality and service in the future
- A *E-procurement System* that shows the suppliers categorized costs for manufacturing Lindsay products will *reduce procurement costs*, and allow for the future *qualitative analysis of suppliers*.

E-Procurement System Goals

- Suppliers will bid on manufacturing products for Lindsay Manufacturing giving categorized costs
 - **Raw Material**
 - **Labor**
 - **Profit**
- Lindsay will be able to evaluate bids costs and the cost components
- Suppliers can minimize cost categorizes using a “suggested partner” database

System Benefits

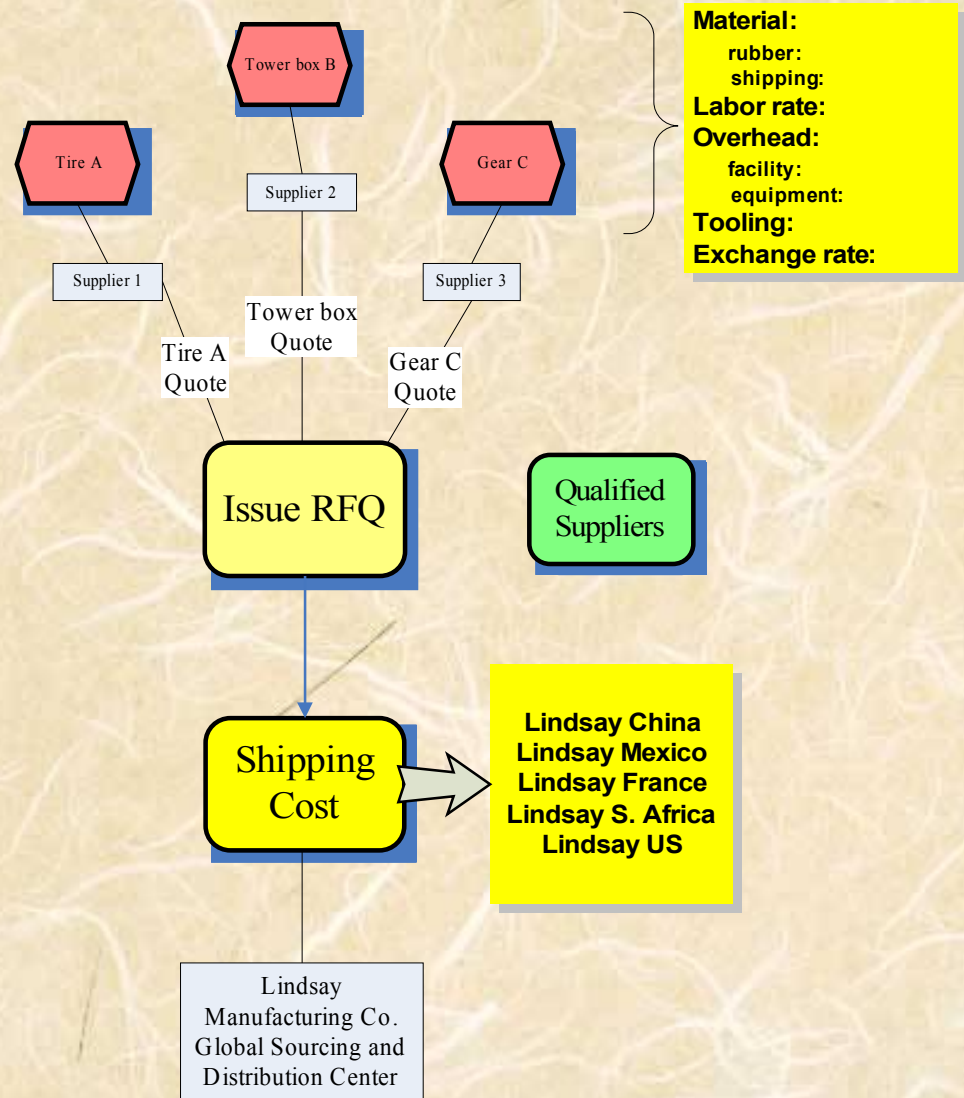
- The system will give Lindsay the ability to **communicate** with suppliers on **real-time** basis
- Lindsay will gain more profit due to further **reduction of bid costs** driven from increased knowledge
- The system allows faster reaction times, comprehensive purchase instructions, and easy-to-see supplier information.
- The System will allow for **better evaluation of supplier bids** and will allow for more **profitable** decisions

System Benefits

- The **transaction process time** could be reduced due to system features.
- The **transaction cost** could be reduced due to online information system.
- The **long-term relationship** with suppliers will strengthen Lindsay's competitive capability on inventory and production schedule.

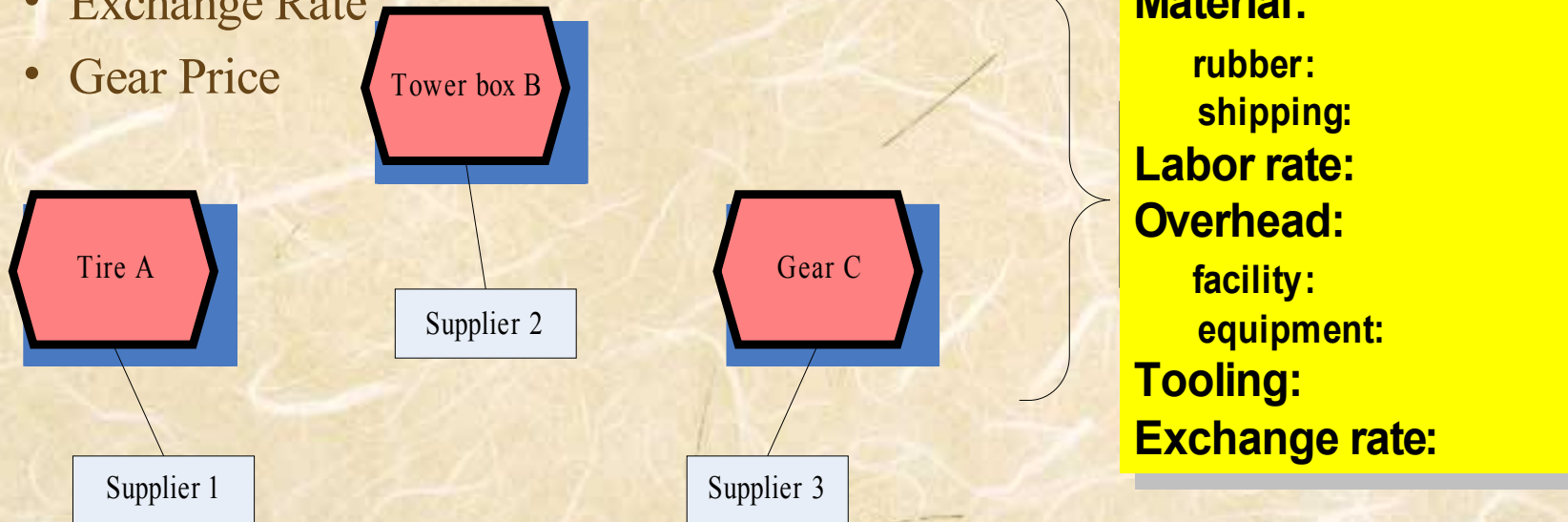
Total System Architecture

- Overall System will allow
 - Supplier Quotes on parts and assemblies
 - Shipping Cost Quotes
 - Lindsay Decision Support System



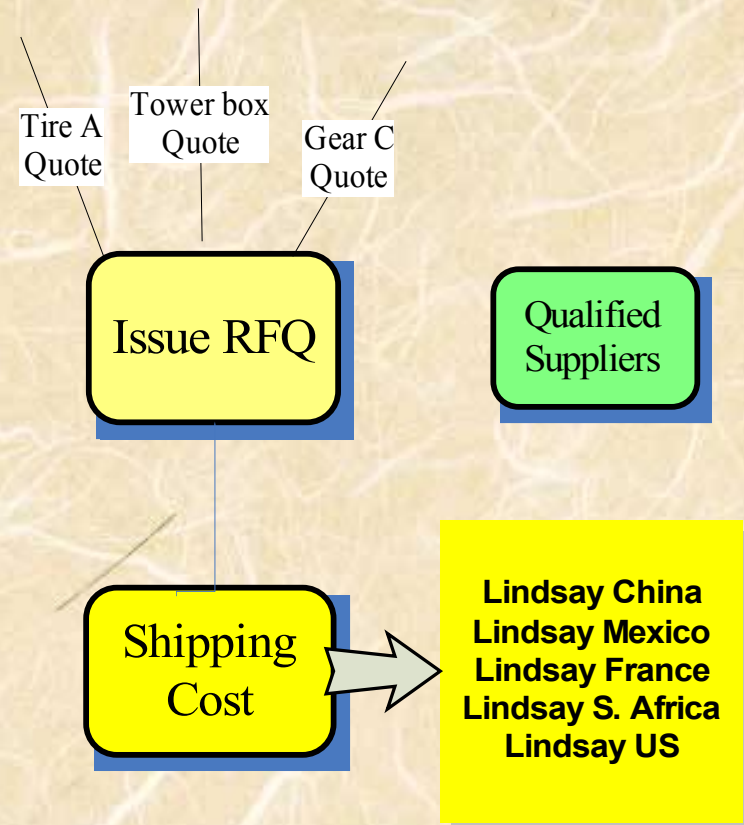
Supplier Quote Architecture

- Supplier Quotes on parts and assemblies
 - Multiple Suppliers to provide quotes on
 - Raw Materials (Iron, Steel)
 - Assembly
 - Tooling
 - Labor Rate
 - Exchange Rate
 - Gear Price



Shipping Quotes Architecture

- System will quote prices for different suppliers such as:
 - South Africa, China, Mexico, France, and US
- Initial Set-up will use Supplier Quote or current Lindsay Transportation



Lindsay Decision Support System

- Lindsay Support System will give:
 - Master Production System
 - Qualified Supplier List give key performance indicators such as:
 - Capability, financial strength, historical data, cost reduction plan, etc.
 - Issue Request for Quotation (RFQ) to qualified suppliers

System Demonstration Screen 1



INSTRUCTION:

1. Please select your part:

(a) Lindsay Procurement Department

(b) Lindsay's Global Suppliers

2. Enter your User Name and Password

Lindsay Procurement Department ▼



User Name:



Password:

Submit!

^ [How to use this Procurement System?](#)

System Demonstration Screen 2

LINDSAY Global eProcurement System



Supplier Info | Demanding | Issue RFQ | Materials List | Statistics | Others

Supplier Filtering:

By Area: By Products: By Ratings:

By Key Words:

Suppliers searching criteria

No.	Supplier Name	Country	Tel	Fax	Contact	Rating	Products
1	China Debao Maufacturing	China	12345	12345	Jack	A	Tires,Gear
2	ABC Suppliers	USA	12345	12345	Jerry	B	Gear
3	Uhood Steal	China	12345	12345	Paul	A	Gear
4	Sam's Gear	German	12345	12345	Fei	C	Gear
5	MaDaShu Tires	Danmark	12345	12345	Tim	B	Gear
6	Jerry Co.	France	12345	12345	Adam	A	Gear
7	Memede		12345	12345	Memede	D	Gear
8	Motorola Inc.	China	12345	12345	Michael	A	Gear
9	Nokia Cellular	Sweden	12345	12345	Ken	B	Gear

Click each supplier to see the detail information

Page1 Next <1,2,3,4,5,6...>

System Demonstration Screen 3



Supplier Filtering:

Search and filtering by some criteria

By Area: By Products: By Ratings:

By Key Words:

No.	Supplier Name	Country	Tel	Fax	Contact
1	China Debao Maufacturing	China	12345	12345	Jack
2	ABC Supplier	USA	12345	12345	Jerry
3	Uhood Steal	China	12345	12345	Paul
4	Sam's Gear	German	12345	12345	Fei
5	MaDaShu Tires	Danmark	12345	12345	Tim
6	Jerry Co.	France	12345	12345	Adam
7	Hairs Group	Brazil	12345	12345	Memede
8	Motorola Inc.	China	12345	12345	Michael
9	Nokia Cellular	Sweden	12345	12345	Ken

LINDSAY Global eProcurement System

Supplier's Information:

Basic Information:

» Name: Motorola Inc. » Country: China » Contact: Zhibin Zhang

» Tel: 086-10-87649836 » Fax: 086-10-6574652

» Products: Tires, Tube, Wheels

» Ratings: A+



Products Information:

Tires:

Available Inventory: 1,000,000

Production Capability: 3,000 / wk

System Demonstration Screen 4



[Supplier Info](#) | [Demanding](#) | [Issue RFQ](#) | [Materials List](#) | [Statistics](#) | [Others](#)

Pleas select the materials which need to order:

- ◆ If you know the Part Number, pleas enter here:
(Ex: 35462) [Submit!](#)
- ◆ If you don't know the Part Number, please select from the list below:
 [Submit!](#)

[How to use this Procurement System?](#)

System Demonstration Screen 5

Comparison table

Comparing...

Supplier Name	Country	Price	Inventory	Capacity	Delivery	Rating	Products
ABC Suppliers	USA	\$13	12345	1000	12	B	Gear
Uhood Steal	China	\$11	12345	1000	12	A	Gear
Sam's Gear	German	\$12	12345	1000	24	C	Gear
MaDaShu Tires	Danmark	\$23	12345	1000	8	B	Gear

Supplier Name	Materials	Labor	Labor rate	overhead	Tooling	Rubber cost	Shipping cost	Facility	Equipment	Profit Margin
ABC Suppliers	\$4	\$13	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Uhood Steal	\$4	\$11	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Sam's Gear	\$4	\$12	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
MaDaShu Tires	\$4	\$23	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4

By comparison, the system find:

The shortest delivery time suppliers are: **ABC Company**

The highest rating companies are: **Uhood Steal**

The lowest cost is: **Sam's gear**

The lowest profit margin is: **Sam'gear**

System will pick the right suppliers automatically

Enter your weight for each criteria and get your final score:

*Delivery time + *Rating + *Cost + *Profit Margin

Submit

Project Phases

- Project in 6 Phases
 - Phase 1: System Definition – Clarify system definition with Lindsay, Chinese Suppliers (David Chen), and project team
 - Phase 2: Design Supplier Quoting System
 - Phase 3: Design Lindsay Decision Support System
 - Phase 4: Supplier Qualification Program
 - Phase 5: Design Shipping Quoting System
 - Phase 6: Advanced Functionality for Lindsay Decision Support System