

# Ford Motor Company

## Automotive Leader Implements Newview For Inter-Enterprise Direct Material Procurement Management

Ford's steel supply chain is a complex, multi-tier network comprised of Ford's in-house procurement group, steel producers, and large and small contract manufacturer stampers. There are more than 1,200 participants across hundreds of companies in this network throughout North America and Europe. Ford depends on these companies to coordinate their activities to ensure that the carmaker's assembly plants receive exact specified materials on precise schedules.

### Ford's Business Challenge

To gain maximum control and cost savings in buying steel, Ford launched a centralized demand aggregation and remarketing program across its North American steel supply chain. Through this program, Ford combines the individual steel buys from its stampers and then negotiates larger orders with its steel suppliers. This gives Ford advantageous volume discounts. Ford then remarkets the steel to its stampers and manages all of the material, information and financial flows.

Ford has significantly grown the size and scope of this program each year. It currently procures more than \$1+ billion in steel annually, accounting for millions of tons of steel and 2,600+ unique parts and components. However, as the program expanded, the administrative inefficiencies slowed critical information flows, such as financial dispute resolution.

The program's burgeoning administration was highly inefficient for Ford's in-house team and its supply network, limiting Ford's future growth plans. The complex program involved more than 170 unique business activities administered via manual, paper intensive workflows. Real-time data access and end-to-end visibility of key information was not available. These factors also limited Ford's ability to easily review history and identify trends to make better decisions on strategic sourcing and the quality of materials.

Ford needed to convert the program to a new, automated supply chain system that would avoid any serious disruption in this critical supply network or alienation of any future participants.

Ford was an early visionary in sponsoring real-time business networks. The company identified that new process management technologies could provide strong strategic

advantages to entire supply chains. It viewed such systems as critical to streamlining and accelerating its steel procurement plans around the world – and expanding it across its other direct material networks.

Ford selected Newview to design and implement a solution to provide efficient, scalable, inter-enterprise connectivity with real-time data visibility for Ford and its complex supply chain.

Newview features a single, integrated, hosted application that crosses enterprise boundaries and provides all participants involved in specification-to-sourcing-to-settlement.

### Tailored to Ford

Newview automates and integrates multi-enterprise workflow management for hundreds of business processes for Ford. Key functions enabled include demand aggregation, material specification communications, price management, contract management and claims processing.

### Manage Results

Newview optimizes decision making through information analytics, performance reports and data mining capabilities. Based on a comprehensive set of common standards and protocols in a single database, Newview provides a strategic platform to rationalize material specifications and assess partner performance.

*"Our goal has been to reform the supply chain to extract maximum value for our greater constituency.*

*Aggregation of purchasing power, globally and throughout the sub-tiers, is a fundamental strategy for our organization. Our earlier efforts were limited in effectiveness and scope. Having a large buy was simply not enough for an effective aggregation program.*

*Newview technology makes it possible."*

*– Ford Director of Global Raw Material Procurement*

