



DIGITALLY TRANSFORMING THE AUTOMOTIVE SUPPLY CHAIN

TO ENSURE THE EFFICIENCY,
TRANSPARENCY, AND CONTINUITY OF
DIRECT MATERIALS

The pandemic has ranged from disruptive to devastating for manufacturing supply chains, but the automotive industry was hit particularly hard. The inherent complexity and global nature of automotive supply chains combined with a major shift in consumer demand has exposed vulnerabilities for manufacturers and suppliers alike:

- ✓ **Manual Sourcing Processes for Direct Materials** – relying on inefficient tools such as Excel and email for sourcing purposes vastly limits supply chain transparency, collaboration, and cycle time
- ✓ **Inefficient Product Launches** – engaging procurement too late in the product development process hinders their ability to find the right suppliers to meet cost, quality, and timing criteria for direct materials
- ✓ **Siloed Data** – using multiple systems that are not integrated reduces data accuracy and disrupts process flows, causing leaders to make decisions based on information that is missing, outdated, or incorrect
- ✓ **Poor Collaboration with Suppliers and Stakeholders** – ERPs, internal portals, and Excel lack collaborative capabilities, preventing crucial communication that could prevent supply and quality issues as well as opportunities for innovation
- ✓ **Lack of Visibility into Supplier Risk and Performance** – managing supplier data is complex, so many manufacturers lack visibility beyond their tier 1 strategic suppliers and face increased exposure to various types of risk
- ✓ **Increased Safety Stock or Stock-Outs** – during a crisis, manufacturers experience more stock-outs and missed/delayed shipments, so they increase expensive safety stock to avoid shutdowns

Like it or not, the pandemic has forced automotive procurement leaders to re-think their supply chains.

As Axel Schmidt, Senior Managing Director at Accenture says,

“**The entire industry is at a tipping point and is looking to reinvent itself to be prepared for the current and the coming disruption.**”¹

According to a recent study by IBM², 50% of automotive executives said that to succeed or even survive in today's climate, their organizations will need to digitally reinvent themselves. Resilient supply chains require a solution that fixes the root of their problems rather than providing a mere band-aid, and this is where Source-to-Pay (S2P) technology can help.

S2P platforms create a fully integrated experience that ensures the efficiency, transparency, and continuity of direct materials across the automotive supply chain.

The decision for many manufacturers to invest in S2P technology may have been pushed forward by the pandemic, but those that have made the change are not just surviving in these challenging times, they have created a more efficient and competitive supply chain model that will help them to thrive in the “next normal”.



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IVALUA MANUFACTURING SOLUTIONS



Supplier Management



Product Quality



Sourcing



Contract Management



Procure-to-Pay



Supply Chain Collaboration



Strategy & Analytics

These solutions result in benefits that pay dividends and provide automotive manufacturers with:

- ✓ A more secure and agile supply chain with reduced risk of disruption
- ✓ Standard, automated direct procurement processes that reduce errors and cycle time
- ✓ Increased team capacity to generate new value and pursue innovation opportunities
- ✓ Centralized, integrated, and transparent data for informed decision-making
- ✓ Improved collaboration with suppliers that reduces the incidence of supply and quality issues
- ✓ A proven quality management process that maximizes product launch success

A proven and reliable partner for automotive companies around the world



Gartner

FORRESTER

LEADER

Ivalua is the **ONLY** platform recognized by both Gartner and Forrester as a leader in Source-to-Contract and Procure-to-Pay technologies.

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“Ivalua has one of the smartest, most flexible, and easy-to-use suites.”³

Duncan Jones
VP & Principal Analyst, Forrester Research

¹Accenture: The Re-Making of Industries: Automotive

²IBM “Automotive 2030: Racing Toward a Digital Future”

³Forrester Wave™: eProcurement Platforms Q4 2019