

10

WAYS

**TO BALANCE YOUR PROCUREMENT
IN AN UNCERTAIN WORLD**



SYSPRO ERP

Agile Procurement for Whatever Comes Next

 **SYSPRO™**
Say Yes to Next

Introduction

To be more efficient and reduce costs, in recent decades manufacturing and distribution companies have focused on becoming increasingly globalized, specialized and lean.

Recent events have highlighted the far-reaching knock-on effect a supply chain disruption can have, not just on manufacturers and distributors, but on virtually every business in the world.

Our supply chains are not as robust as we thought they were. And no matter how strong the relationship or the contracts in place, the new normal has shown just how critical agility is in the procurement process, especially when the unexpected occurs.

Attempting to make quick changes or expedite critical purchases when procurement is paper-driven and supported by outdated tools is virtually impossible. These inefficiencies negatively affect an organization's bottom line, from overspending on stock to losing out on economies of scale, not to mention the effect of late- or short-order fulfilment and resultant loss of customers.



97.5%

Order Fulfillment

The SYSPRO solution eliminated the need to manually order stock, reducing overheads in the stock and procurement side of the business dramatically.

Hazel Barton
Fiddes Payne, Financial Controller

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The ERP Advantage

Although a standalone program assists in managing purchasing with greater efficiency, it lacks the mission-critical quality of integration into the rest of the company's and supplier's systems. This is where the real advantage of an ERP solution with built-in procurement capability lies.

SYSPRO ERP has the built-in digitalization capabilities to create a truly agile supply chain with end-to-end visibility and collaboration across the entire ecosystem. This robust single-source solution, created specifically for manufacturing and distribution, will enable you to optimize your supply chain now and well into the future.

Firstly, it facilitates the required exchange of information between a company, its suppliers and even its customers – driving action, minimizing document handling, reducing errors and fast-tracking order fulfilment.

Secondly, by setting up and managing sourcing strategies and policies, SYSPRO ERP mitigates purchasing risks, improves governance and maintains negotiated agreements across the organization – while enabling the purchase of products and services at the best value-to-price ratio.

Manual Processes

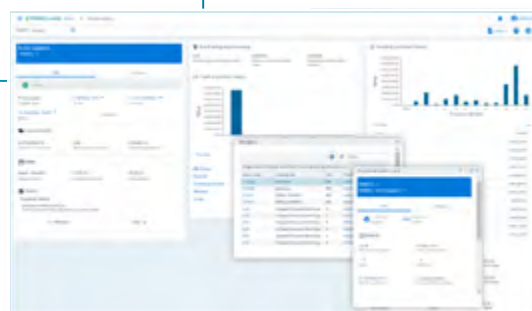
Eliminated

"SYSPRO eliminated the manual processes that had become prohibitive. Our entire procurement environment, including receiving, stores, inventory and dispatch, has experienced the most substantial improvements since the deployment of SYSPRO."

Jan van Loggerenberg
Aerosud, Business Development Director

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Finally, by leveraging web-enabled and intelligent technologies such as online portals, IoT, AI and Bots, SYSPRO ERP enables the real-time collaboration and predictive insight needed to anticipate and/or react instantly when the unexpected strikes.



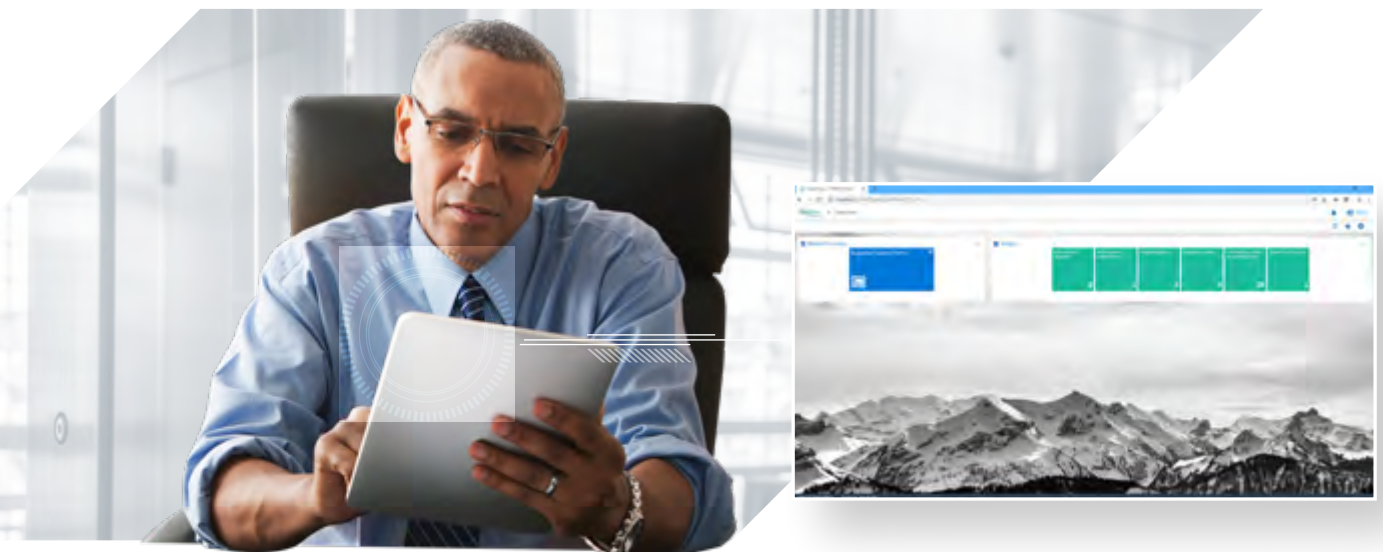
10 Keys to a Robust, Future-Proof Procurement Strategy

1 Maintain Business Continuity

As a manufacturer or distributor, you need to ensure that your business systems and platforms are flexible enough to foresee, plan for and rapidly react to the unexpected. Business continuity can be maintained by ensuring employees continue to work remotely with immediate access to business-critical information while supplier collaboration can occur without interruption.

By investing in an ERP system like SYSPRO that offers **web accessibility**, your workforce and suppliers are connected at any time, from anywhere, using any device, to ensure business as usual.

Online collaboration and engagement between buyers and suppliers are facilitated by our **Supply Chain Portal**. This interactive online platform allows an unlimited number of users from different departments - and from supplier companies - to interact in one centralized location, thus easing the flow and improving the transparency and availability of information while minimizing documentation and limiting the risk of fraud.





99.5%

Inventory and Costing Accuracy

We use SYSPRO to plan out purchasing in a way that is integrated with production planning. This has reduced our stockholding by an average of two weeks for finished goods, and we have also experienced a 20% - 30% reduction in packaging material as well as raw material.

Fu Shou Jeen
Wen Ken, Executive Director

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Accurately Balance Supply and Demand

The simple truth is: Inventory costs!

Complex decisions need to be made about how much and which items you should hold overall and at each stocking location. Additionally, you need to know when to replenish, how much, and where.

SYSPRO ERP's Inventory Management solutions allow you to accurately forecast demand, identify stock availability, establish supplier lead times, cost and material requirements, contingency stock requirements and warehouse capacity constraints.

The **Inventory Management** capability provides real-time reporting on inventory holdings - with easy drill-down access to inventory balances, open purchase orders, work orders and open sales orders at any point in the process - while **Inventory Forecasting** enables you to produce accurate forecasts based on sales history and provides the tools to measure the quality of your forecasts.

The **Material Requirements Planning** (MRP) capability uses projected and actual demand and supply to assist in planning and creating realistic production, purchasing and supply transfer schedules. The optional inclusion of Quotations into Requirements Planning provides a clear and accurate estimate of projected costs and requirements based on acceptance probabilities. It also identifies capacity constraints and maintains optimal stockholdings in a multi-site and multi-warehouse environment.

With these advanced scheduling, forecasting and requirements planning tools, you can accurately determine purchasing requirements and hedge against obsolescence of raw materials stock.

3

Spread Supply across Suppliers

Manufacturers and distributors need to consider diversifying their supplier base and implementing dual-sourcing policies to reduce the risk of shortages when the unexpected occurs. By partnering with both local and global suppliers and introducing alternate sources for raw materials or intermediary component suppliers, you can increase the robustness of supplier networks and ensure demand can be met - even in extraordinary times.

SYSPRO ERP provides the means to not only regulate supply agreements of raw materials and consumables in the business, but to expedite the tender process if you need to bring a new supplier onboard quickly.

By allowing suppliers to tender for the supply of goods and services online using the [Supply Chain Portal](#), buyers can make informed procurement decisions quickly and easily as they compare offerings from different suppliers. Using the [Request for Quote](#) capability, buyers can detail exact requirements and suppliers can submit their proposals including pricing information and supporting documentation.

Further, SYSPRO ERP offers capabilities to better govern business processes and interactions by limiting manual intervention through automation, **standardizing policies** for engaging suppliers, enabling automatic selection of suppliers in the purchasing process and allowing for joint decision-making on suppliers.

This assists in controlling business spending and managing suppliers through end-to-end visibility of the supplier selection and purchasing process.

4

Establish Preferential Supplier Agreements

The relationship between buyers and suppliers has an increasingly important role to play in ensuring manufacturers and distributors achieve specific strategic goals. Today it's not just about buying raw materials, it's about partnering with the most reliable suppliers to secure longer-term preferential agreements for the best quality input materials at the lowest cost.

You can leverage whole-company spending potential by establishing longer-term preferential agreements that provide a competitive advantage. SYSPRO ERP's [Preferred Supplier](#) capability supports planning and pricing adherence, enabling you to negotiate favorable terms and secure prices with suppliers proportionate to volume – improving the value-to-price relationship.

5

Manage Sourcing Strategies

Strategic sourcing policies control the requisition process and align procurement processes with your organization's strategic goals while enabling you to adhere to regulatory standards.

SYSPRO ERP captures and maintains predetermined sourcing policies by supplier or stock code, with the added ability to enforce policies through the recommendation of approved suppliers in the purchasing process. Automated recommendations are included at **Material Requirements Planning**, Requisition and **Purchase Order** level to ensure the correct supplier is used, while electronic signatures are used to improve purchasing governance.

By better managing the protocols that deal with the sourcing of goods and services during your purchasing cycle, you will decrease your purchasing risk, improve purchasing governance and achieve significant cost reductions.

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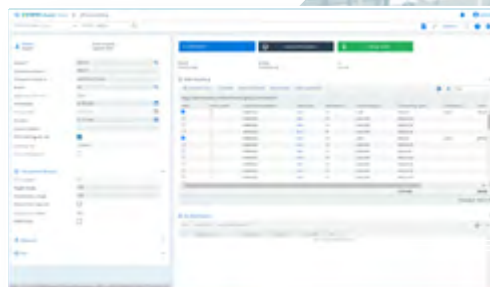
Automate the Procurement Process

SYSPRO ERP's procurement tools help to simplify and streamline the order, tender, requisitions, purchasing and receiving processes – leading to accurate and timely order fulfilment.

As customer orders are filled and completed, **Sales Order** information flows through the system so that in the case of a stock shortage: a purchase order can be automatically raised; a job created for made-to-order items; or supply chain transfers created for goods required from a supplying warehouse.

The **Request for Quote** capability: extends a formal invitation to suppliers to tender on the supply of goods or services; automates the creation of the RFQ from a requisition; and allows servicing of the RFQ directly by suppliers online. By extending the self-service of tenders to your suppliers using SYSPRO's **Supply Chain Portal**, you can streamline collaboration, minimize document handling and improve transparency and governance.

The **Purchase Orders** capability enables the monitoring of the incoming quality, stock accuracy, lead times and cost of purchases, while providing a comprehensive supplier performance analysis.



7

Overcome Dark Purchasing

Dark purchasing can occur in most indirect procurement processes. It refers to the inability to trace expenses to capital outlay or material inventory which may be attributed to items purchased outside standardized processes and approvals.

SYSPRO ERP's Requisition system provides the necessary controls and traceability to set limits according to budgets, thus preventing overspending.

The **Purchase Orders** functionality tightly controls buyers' spending limits, with workflow alerts to prevent bottlenecks in the process. The buyer's purchase request is routed through various managers with associated authority levels until the final stage, when the request is converted into a live purchase order.

These routes and authority levels are customizable, and the approval can be automated if the requisition value is below a specified amount. SYSPRO ERP's Requisition system includes the ability to monitor capital expenditure and perform complete route tracking of the request.

Further, SYSPRO's core AI functionality detects anomalies and alerts you if, for example, purchase orders are being processed without approval – minimizing the risk of fraudulent activities.

50%

Improved Cost Control

SA Shipyards anticipates savings of R23 million a year due to improved purchase controls. "We can also cost future projects more accurately, become more competitive, create more jobs and use our people more effectively."

Akash Singh
SA Shipyards, Financial Manager

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8

Evaluate Supplier Performance

SYSPRO ERP gives you the tools to set supplier metrics and measure their performance to identify gaps by providing information such as supplier maturity, typical lead times and capacity.

It also helps you identify which suppliers meet your goals for sustainability, such as use of recycled materials and corporate governance. SYSPRO ERP also provides automated alerts so you can identify supplier issues and resolve them before they escalate.

The added visibility into customer returns, via the **Return Merchandise Authorization** functionality - such as reasons for return, warranty date, price and quantity purchased - aids supplier performance management and promotes continuous improvement.

9

Simplify Returns and Ensure Traceability

Managing your supply chain effectively also means handling the reverse product flow. SYSPRO ERP streamlines return logistics by integrating all processes affected by a **return-to-supplier** transaction. With visibility right back to R&D, defective goods are seamlessly and immediately removed, ensuring minimal disruption and improved consistency of quality.

If you operate in an industry governed by health and safety protocols, SYSPRO enables you to track quality data on products as well as their ingredients, from purchasing through to inspection, manufacturing, stocking and sales. **Advanced Lot Traceability** helps you remain compliant and respond quickly to product recalls, while the traceability of variants between cost of item and credit received provides greater financial control and governance over the process.



10

Balance Cash Flow and Payments

SYSPRO **Accounts Payable** improves cash flow and provides timely, accurate and efficient control of invoice processing; the payment of bills; the application of discounts; and total expense analyses that helps you maintain close relationships with suppliers. It turns tedious and time-consuming processes into a manageable piece of your corporate puzzle.

Supply chain optimization includes the reduction of delivery and storage costs. For example, **SYSPRO ERP's Container Management** feature helps you optimize shipping costs and gain schedule predictability. With its tools to model and analyze your total landed costs across the supply chain, SYSPRO ERP can help you decide whether to move your warehouse to be closer to customers.

SYSPRO's Landed Cost Tracking (LCT) provides accurate landed costs and visibility of imported goods through shipment tracking. It enables you to track shipments of imported goods, monitor their progress and estimated arrival times, and establish a reliable estimate of the overall cost of imported goods. Furthermore, it calculates a more accurate actual cost at which to receive the goods and provides an actual cost comparison to the various estimates made during the procurement cycle.

SYSPRO enables you to analyze stock codes (SKUs) at a granular level, so you can see and calculate each item's historical demand behavior and impact on profits. Then, from a supply chain perspective, you can balance materials ordering based on product roles – basic, seasonal or just-in-case stock – and analyze where best to invest your resources.

Today, more than ever, Procurement is a finely-tuned balancing act that supports your overall business strategy and helps you satisfy the expectations of an increasingly demanding customer. Finding that balance is the key to avoiding the potential of empty shelves, lost sales, dissatisfied customers and plunging profits.

Supply chain management is a **finely tuned balancing act**

that supports your overall business strategy and helps you satisfy the expectations of an increasingly demanding customer. Finding that balance is the key to avoiding the potential of empty shelves, lost sales, dissatisfied customers and plunging profits.



The Supply Chain of Tomorrow

Tomorrow's supply chain will be an ecosystem that seamlessly integrates businesses, suppliers and customers. One that utilizes integration and digitalization to provide a real-time 360-degree view of resources and assets throughout the entire ecosystem - enabling faster and better responsiveness to changing conditions.

Repeatable tasks will be automated to boost efficiency and reduce costs; all stakeholders will have access to rich data, actionable insights and analytics provided by IoT, Artificial Intelligence (AI) robotics and easy-to-use online tools;- while new and smarter data models will be employed to enrich day-to-day operations, fast-track executive decision-making and provide higher levels of collaboration.

And because of SYSPRO's specialization, innovation, expertise and unique architecture, you can experience all these capabilities today, using a single system.

Increased Business Agility

"We finally had an agile system for an agile business. Having everything integrated into one system is utopia. People are no longer constantly transferring data, and everyone is looking at live data."

Andrew Longland
Millbrook, Commercial Director

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Seamless

Supply Chain

Through the implementation of a fully integrated SYSPRO ERP solution with multiple core modules, Cibapac was able to bring its independent supply chain processes and components into one seamless supply chain. "With SYSPRO, our data tracking ability is phenomenal. Improved visibility of sales history is also a powerful tool. SYSPRO provides the quality reporting and analysis of our business needs."

Sandi Loggenberg
Cibapac, Chief Technology Officer

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About SYSPRO

SYSPRO is a single-source, easy-to-implement Enterprise Resource Planning solution designed to minimize business complexity. Our purpose is to provide actionable insights that support daily decision-making, cut costs, streamline processes and improve productivity and outcomes. What sets us apart is our 40-year track record of specialization in the manufacturing and distribution sectors, our simplified approach to technology and our passionate commitment to the success of our partners and our customers.

Because **SYSPRO ERP** is modular, it allows you to choose the functionality you need now - and to easily add to it as and when your business needs to change. Because we value the relationship above the transaction, we give you a fully informed opportunity to determine the level of service you require.

We believe the value we add is not about our product, but rather about our thorough understanding of how your business works. We call it the SYSPRO experience. For more information, visit www.syspro.com



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