



Success Story

Sourcing with QAD Allocation in the Dynamic Environment

AVL (Institute for Internal Combustion Engines list) is a company for the development of drive systems as well as corresponding simulation and testing technology.

Industry
Automotive

Turnover
1.97 billion euro

Staff
11,500 worldwide
(4,300 in Graz)

Head Office
Graz
(Austria)



AVL is a world's leading independent company for development and improvement for drive systems for combustion engines and measuring equipment as well as test systems. It has been active in this area for more than 60 years.

The high flexibility and speed of the purchase is the success engine in a dynamic environment. In 2011, the BMÖ – Federal Association for Materials Management, Purchasing and Logistics in Austria honored the QAD Allocation solution of the developer of drive systems, AVL List, with the 1st place of the Austrian Supply Chain Excellence Award in the category “Supply Excellence”.

QAD Allocation



The E-3 Magazine interviewed Franz Fischbacher, Head of Strategic Purchasing at AVL List:

**E-3: How do dynamics
and product width
affect the purchasing
in AVL?**

Fischbacher: We have defined a sourcing strategy with the company-wide effect. We use a SRM-tool which enables an automatable processing within all the company organizations. In other words, we simplify, accelerate and automate the process with a higher process security and efficiency at the same time. Through the consistent and transparent course of operation, we are able to apply the purchasing synergy with suppliers despite the decentralized sourcing process.

**E-3: Which further
functions do you
also apply?**

Fischbacher: We work with many suppliers together and these suppliers deal with different organizations within the AVL group. Therefore, both the whole general evaluation and the development of suppliers are important. The results of supplier assessment are not only internally available, but also available over our SRM-platform for suppliers.

E-3: How do you integrate the suppliers in the whole solution?

Fischbacher: We have an efficient supplier management which enables a flexible RFX process as well as the integration with the existing sourcing process and systems. The solution is efficient, global, transparent and accessible for all internal users in need. Certainly we can so contribute to the competitiveness of AVL. We can reach the price reduction of supplier products and reduce the costs occurring during the purchasing process. Not only AVL, but also our current and potential suppliers can get the access to the globally available and web-based SRM-portal. We have a complete electronic supplier records with the SRM-tool, including building of supplier data or the storage of documents. Also, a register process runs with our SRM-tool. The processes of bidding must be integrated with the existing SAP system, which can be achieved by standardized interfaces of QAD Allocation. Here we have chosen the ASP-variants.

E-3: And how did you realize the integration with SAP?

Fischbacher: We primarily see the transfer of BANF from SAP to the tendering platform and back. This includes the QAD Allocation button in SAP, which forwards the BANF. Today, the transfer takes place from suppliers, the vendors are still managed manually in SAP. In a next step, we will realize this automatically via an interface.



About QAD Allocation

QAD Allocation, a division of QAD Inc., provides industry-leading strategic sourcing and supplier management solutions to help manufacturers deploy digitized source to contract solutions. QAD Allocation solutions help to achieve optimal supplier selection, accurate supplier performance analysis, improved supplier quality standards, supplier risk information and mitigation as well as reduced material costs within direct and indirect spend categories. QAD Allocation solutions are part of [QAD's Integrated Supplier Management](#) set of capabilities designed to improve supply chain visibility and supplier performance, enabling faster response to changes in supply and demand. For more information about QAD Allocation, visit www.allocation.net/en.

Reliable - Personal - Competent

Phone: +49 (0)89 2782 57- 0

sales.allocation@qad.com
www.allocation.net/en
Munich • Atlanta