

Catalog Shop for German Railway

Catalog Shop handles purchasing volume of 50 million euros for indirect goods



Benefits

- **Central and company wide order platform**
- **Ease of use for + 8,000 users**
- **Better and faster supplier integration**

Introduction

The German railway company, can now buy office supplies, electronic tools, and electrical appliances from a central catalog shop. 8000 buyers now use the Amazon-like shopping system. Soon complex services will be a standardized purchase.

The potential that lies dormant in the C-parts sourcing, is enormous, especially for companies like the German Railway. With the central task of using an automated procurement process this has the potential to provide mobility and lift the logistics giant. For this purpose, Thomas Haag and Konstanze Wagner, head of e-services and head of tools and procurement had an enterprise-wide catalog management system in place. Since the rollout last summer, about 8,000 users have purchased office supplies, tools, and electrical appliances.

About the German railway company

The German railway company was founded in 1994. It is now one of the leading passenger and logistics companies and operates in 130 countries. Core of the company is the railway in Germany.

“Suppliers who go with us on this path, give us realistic delivery times and deliver on time.”

Thomas Haag, Head of E-Services,
Deutsche Bahn AG

The Catalog Shop

The catalog shop now handles 50 million euros in volume for the purchase of indirect goods. They are at least 28 percent of all orders throughout the group. 70 catalogs with over 800,000 articles (100,000 of them active) are currently recorded in the system. The requirements for the e-catalog integration: the value of each item is less than 1,000 €, legacy systems are not integrated, there is no storage necessary. “We wanted a system that allows users to operate quickly and easily and warrants the purchaser all legal guarantees that he will always find the best price for the company,” says Konstanze Wagner head of the project. In addition, the central order platform, requires a consolidated procurement process that reduces errors, cleans up the range, integrates suppliers more closely, and makes the in-house processes more efficient.

Purchasing volume has increased to 50 million € with the German Railway by shopping indirect goods from the new catalog.

Easy to Use

The Informatica centralized catalog management system operates in cooperation with SupplyOn. “8,000 users, including many purchasers, may not be put on a powerful SAP system” says Konstanze Wagner. Also, the existing Supplier Relationship Management system (SRM) was mainly published for a widely distributed customer group that is too complex. By contrast, the catalog system, which has an “Amazon-like” look and feel, allows even the occasional user to create simple models for ordering data (cost centers, company codes) and can quickly retrieve them later.



Business Initiatives

- **Consolidated & company wide procurement process**
- **Cut process costs for electronic catalog orders**
- **Ease of use for +8,000 users**
- **Better supplier integration**

The Users Pick

"An e-procurement System that nobody uses is necessary," says Konstanze Wagner and adds: "Our top priority therefore was and is to collect the user." And the team was also successful: after barely a half a year now, running a third of all group orders with a predetermined threshold of less than 1,000 Euro per single item in the system. But it should be considerably more. "There are still too many manual needed runs for small ordered goods," said Haag. "We do all indirect requirements which are not feeding the system that manages the catalog shop." Suitable new businesses have been running since the rollout also accessible via the internal "click shop" called catalog system.

The process costs of electronic catalog orders are well below those of the previous ordering process. Such an order out of the catalog system to an automated goods receipt, including automatic credit for the suppliers (according to the contract under specified delivery time). The ultimate goal then is to have the electronic invoice by the supplier. "We have such a harmonic and closed process," says Konstanze Wagner. Thomas Haag explains the requirement: "We need this course, suppliers share a deep integration into our processes." So far there have been few problems as a result of automatic credits and no possibility for late deliveries. "Suppliers who go with us on this path, give us realistic delivery times and deliver on time." Is Haag experience. Both benefit from the high level of automation in the credit process: the suppliers receive payment quickly and purchases result in lower prices.

Catalog Management Solutions should ...

- Support the procurement process from adopting supplier data until go-live for internal ordering
- Be user friendly
- Help support intelligent search mechanisms
- Automate managing and checking large assortments
- Procurement flows in the consolidated pooling
- Process costs and cost prices.

E-Standards

The new catalog store uses various e-business standards for the automated ordering. With the @ss classification standard the system describes uniformly the stored products in a four-level hierarchy. The product data is available in the catalog shop on the exchange format BMEcat. Per Standard EDIFACT Transaction send the orders electronically to the supplier. "Our suppliers will now order data throughout the group through only one source." Said Konstanze Wagner proudly. In the future, the international operating subsidiary DB Schenker can take advantage of the shop. This requires that not only the catalog data be available in several languages, but that the system for foreign currencies and foreign tax can be modified. "We will also allow for country-specific content and integrate it into the shop," announces Haag, "these are the conditions we are creating right now" The next step, the enterprise also needs to support more complex services (seminars, leasing of work clothing, cleaning, catering, and office bookkeeping) on the standard catalog order. Even the procurement of IT equipment is managed by the new central purchasing platform.

Shopping Cockpit

For strategic purchasing the catalog system does even more. For indirect procurement there is now a central shopping cockpit that shows the classic indicators (orders/month, shop orders per month, purchase orders/supplier, number of active and flagged articles, etc.) of the effectiveness of the new process. With completion of the catalog software project, a real business intelligence tool is purchased, with a central dashboard for all KPIs, global spend map, simulation opportunities for price negotiations (based on the order behavior of the current catalog) and content scorecards for content optimization and supplier consolidation.

About Informatica

Informatica Corporation (Nasdaq:INFA) is the world's number one independent provider of data integration software. Organizations around the world rely on Informatica to realize their information potential and drive top business imperatives. Informatica Vibe, the industry's first and only embeddable virtual data machine (VDM), powers the unique "Map Once. Deploy Anywhere." capabilities of the Informatica Platform. Worldwide, over 5,000 enterprises depend on Informatica to fully leverage their information assets from devices to mobile to social to big data residing on-premise, in the Cloud and across social networks.



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