



Enable Once. Use Everywhere™

CUSTOMER CASE STUDY

GE Puts Imagination to Work to Control the Complexity of Global Supplier Management



imagination at work

Geographies

- Enterprise-wide, global deployment.
- Languages include English, French, Spanish, German, Japanese and Chinese.

Challenges

- GE sought to manage information from over 500,000 global suppliers in support of the world's most complex supply chain.
- GE required a centralized repository to manage all supplier information including supplier hierarchies, certifications, compliance, content, white papers and contracts.

Selection Criteria

- The chosen solution needed to support GE's immense global scale with operations in 100+ countries.
- It also had to be flexible and support rapidly changing operations and hierarchical relationships.
- GE required high levels of data quality, integrity and security.

Solution

- Over 500,000 global GE suppliers and their data were loaded into Aravo. They are now searchable and accessible by the entire company.
- Aravo SIM manages the entire supplier lifecycle from new supplier requests to supplier deactivation at GE.
- To optimize effectiveness, Aravo is integrated into all applications that require vendor data including many different instances of Oracle ERP.
- Data quality is maintained by enabling supplier self service, and through integration to D&B.
- For risk management, all suppliers go through a corporate background check using real-time integration to ChoicePoint data services.

Results

- A single globally-deployed vendor master management solution (GSL) that creates one "source of truth" for suppliers across the entire organization.
- Enables automation and visibility of GE's entire global supplier management process.
- Reduced costs through removal of redundant vendor management applications and lower process costs.
- Improved vendor data quality, consistency, compliance and risk.

“ We are now managing **over a half-million suppliers and their data in Aravo SIM™**, and have just gone live in six languages with suppliers around the world. **We expect Aravo SIM will deliver significant cost savings, while improving data accuracy, compliance and productivity.** ”

— Gary Reiner
GE Senior Vice President and CIO

> THE CHALLENGE

GE (NYSE: GE) is a diversified global infrastructure serving customers in more than one hundred countries and employing more than 300,000 people worldwide. Managing one of the world's most complex supply chains, GE does business with over 500,000 suppliers across thousands of entities. The company sought to tame this complexity with an off-the-shelf enterprise software solution that was quick to implement, highly configurable and easily adopted by users.

The Global Procurement Group manages GE's Global Supplier Library, a centralized repository at the corporate level for the management of supplier information feeding the firm's multiple downstream business units. The GSL was implemented in the 1990s to improve cross-enterprise coordination of supplier definitions, supplier reference numbers, supplier content and supporting data/documentation. The company needed to make process improvements to reduce a proliferation of vendors, improve visibility into the company-wide spend, aggregate supplier information and create a better understanding of what was being purchased from whom. GE also wanted to more accurately track compliance, certifications, white papers and contracts.

An overriding requirement was to make all of this data easy to find from within a universally accessible central repository on a global basis and in a consistent way.

> THE SOLUTION

After considering internal alternatives and reviewing external options, GE determined that Aravo SIM™ from Aravo Solutions was the best fit for its global needs. Aravo SIM is a Software-as-a-Service (SaaS) platform that enables enterprises like GE to automate and manage global supplier information processes to increase efficiencies in supplier management, improve supplier data quality, reduce costs, and enhance their ability to negotiate better terms with suppliers.

GE is now live on Aravo SIM with 500,000 suppliers under management in six languages. Aravo SIM will continue to be rolled out to users globally and adopted by new business units during the remainder of 2008.

Aravo SIM is delivered on a highly configurable SaaS platform, which enabled rapid deployment at GE despite extremely complex data types, business requirements and processes. Aravo's easy-to-use configuration tools allow new requirements to be added quickly, allowing large, complex organizations such as GE to meet diverse business needs with a single application.

“ Aravo SIM provides GE with a globally accessible application for the management of critical information around our supply base and allows us to syndicate the information to our various purchasing, payables and other systems so that we can have one coordinated view of what's going on with all of our suppliers.

We are confident that the ROI is not just positive, but it's massively positive. ”

— Brad Sweeney
Corporate Initiatives Group
GE Global Procurement

www.aravo.com

Worldwide Headquarters
Aravo Solutions, Inc.
400 Montgomery Street, 10th floor
San Francisco, CA 94104
Tel: +1.415.292.0840
Fax: +1.415.292.0845



> Perfect Fit for a Global Enterprise

“Back in 2003, we were maintaining many different applications, trying to solve some sticky supplier management problems,” explained Brad Sweeney, manager of GE’s Shared Sourcing Services and Corporate Initiatives Group. “In those days, few applications were integrated into one central location. As a result, in 2004 we considered building our own home-grown solution, because we didn’t see anything on the market that adequately did the job. There were options that solved one or two dimensions of the problem but there was no one solution that actually integrated the entire set of records, including contracts, content, spend data and environmental health and safety-type activity.”

GE executives were familiar with a number of other solutions that touched various aspects of supplier management, but they believed strongly that no other solution focused on solving supplier information management challenges the way Aravo does. The corporate procurement group determined that they needed a solution that was fully dedicated to providing functionality around supplier coordination, catalog management and overall purchasing information. The GE team felt that only Aravo took the “supplier centric” approach that they needed.

“Before we discovered Aravo, it was difficult for us to pull together supplier data and scrub it into a usable format,” Sweeney added. “We needed a way to clean up our vendor data and eliminate duplication. In the post-Sarbanes-Oxley world, corporations need a higher level of visibility of critical documents and a constant pursuit of quality control, especially in the inflationary commodity environment that the world is now witnessing.”

> Driving Quality and Consistency

“GE is always focused on quality first,” Sweeney noted, “and that was our top priority in selecting a supplier management solution. We needed a central repository dedicated exclusively to supporting sourcing and procurement on the supplier side. Our most important requirement was a consolidated global solution that we could roll out to our operating entities around the world. Aravo’s off-the-shelf supplier management and compliance solutions met these needs extremely well.”

Armed with Aravo’s game-changing supplier information management platform, GE is decreasing the complexity of collecting, maintaining and managing data on all types of suppliers across multiple disciplines and business organizations. This delivers unique capabilities to engage, activate and manage the entire supply base rapidly and effectively.

GE required a consistent information schema to coordinate and document supplier information to achieve some crucial objectives including document consolidation and supplier consolidation. “We were working very hard to find a way to do this. Fortunately, we discovered Aravo at the right time, and now Aravo SIM is solving most of our problems and allowing us to get there in manageable steps,” said Sweeney.

> Lean and Clean for Better ROI

“We have a strong ‘lean’ initiative throughout the company, and as our managers reevaluate core processes to eliminate waste, the effort comes down to the same basic processes almost every time. The components that have been built up over the years that don’t add sufficient value get stripped away. Aravo is an important tool that is allowing us to enshrine a lean and clean process into a single application that can give us the consolidation that we’re looking for,” Sweeney added.

In addition to financial savings and efficiency improvements, GE found that Aravo’s self-service functionality that empowers suppliers to maintain their own data will improve the overall quality of its supplier management processes and possibly the return on investment.

“We haven’t compiled enough data to say exactly what our ROI from Aravo will be. But if you can save twice as much as you spend on an IT application, that’s a good ROI result. “GE is a large, diverse and complex organization. Every one of our entities needs a strong vendor management and vendor compliance solution. We are confident that the ROI is not just positive, but it’s massively positive.”



Enable Once. Use Everywhere™