

## Success Story:

---

# ALSTOM Grid Private Community Powered by Amalto e-Business Cloud



Industry – Electric Power Distribution, Manufacturing of products and systems to transmit and distribute electricity.

Business Document Types – Purchase Orders, Change and Cancel Orders, PO Responses, Framework Orders, Scheduling Agreements, Scheduling Releases and Invoices

Formats – iDoc (on Customer side) - xCBL, CSV and Excel (on Supplier side)

Protocols – FTPS (on Customer side) - b2een, HTTPS, AS2 and FTP (on Supplier side)

Business Problem Solved – Alstom Grid needed a flexible, adaptable and cost efficient transactional platform enabling them to streamline and automate document flows between their SAP system and their Suppliers. The objective was to enhance Supply Chain and Accounts Payable efficiencies.

## About ALSTOM Grid

---

Present in more than 100 countries with 72 industrial sites, Alstom Grid provides reliable, efficient and environmentally friendly transmission and distribution solutions. A recently formed sector of the Alstom Group, one of the three global players in electrical transmission, and an acknowledged leader in key technologies, market and geographies, it is already helping to develop the intelligent grids of tomorrow.

## Context

---

In 2009, Alstom Grid (then Areva T&D) launched project ISIS to set up SAP SRM (the e-procurement and e-sourcing module of SAP) and shift from paper to electronic business document exchange with its 2000 Suppliers worldwide.

Therefore, Alstom Grid looked for a solution that was:

- Flexible and adaptable to their constraints, Alstom did not want to change anything in their infrastructure or systems to match external requirements with respect to document format and transport protocol
- Able to handle transformation and routing of various inbound and outbound electronic business document types between their ERP and the Suppliers
- Supplier friendly; offer the Suppliers a large set of connectivity options, enabling e-exchange without having to invest in a software solution or internal IT expertise
- Cost-effective to install and run at Suppliers end (no transaction fees!)

Also, in order to increase Supply Chain efficiencies for products sourced in China, the solution was required to utilize a logistic platform, streamlining and automating document flows between all stakeholders: Alstom Grid plants, their local Sourcing Bureau, the logistics platform operated by Geodis and the Chinese suppliers.

Finally, some Suppliers were to provide electronic catalogs, so the solution had to be able to collect catalog data from Suppliers, control it, handle the validation workflow involving Alstom Purchaser and the publication in a catalog or search engine.

### Solution

---

A Private Community has been set up, powered by the Amalto e-Business Cloud, in order to allow Alstom Grid (the Community Leader) and the Suppliers (the Community Members) to e-exchange business documents.

Documents sent by Alstom Grid to Suppliers are transformed from the IDoc format provided by Alstom's SAP system into other formats. Correspondingly, Suppliers documents sent back to Alstom Grid are controlled and transformed into the IDoc format and delivered using FTPS, the chosen transport protocol of the Community Leader, Alstom Grid.

From a connectivity standpoint, each Supplier can choose from various options:

- Portal (no software to install, access via the web)
- b2een (light-version, free software to be installed on-premises)
- Portal+ or b2een+ for a Supplier wanting to receive or send the business documents in its own format rather than in one of the Community supported formats (in such a case, a custom b2een plug-in is developed for the Supplier, matching their specific requirements and handling specific transformations and processes)
- or a dedicated connection to its B2B gateway (in case the Supplier has one), using transport protocols like HTTPS, AS2, FTP, etc.

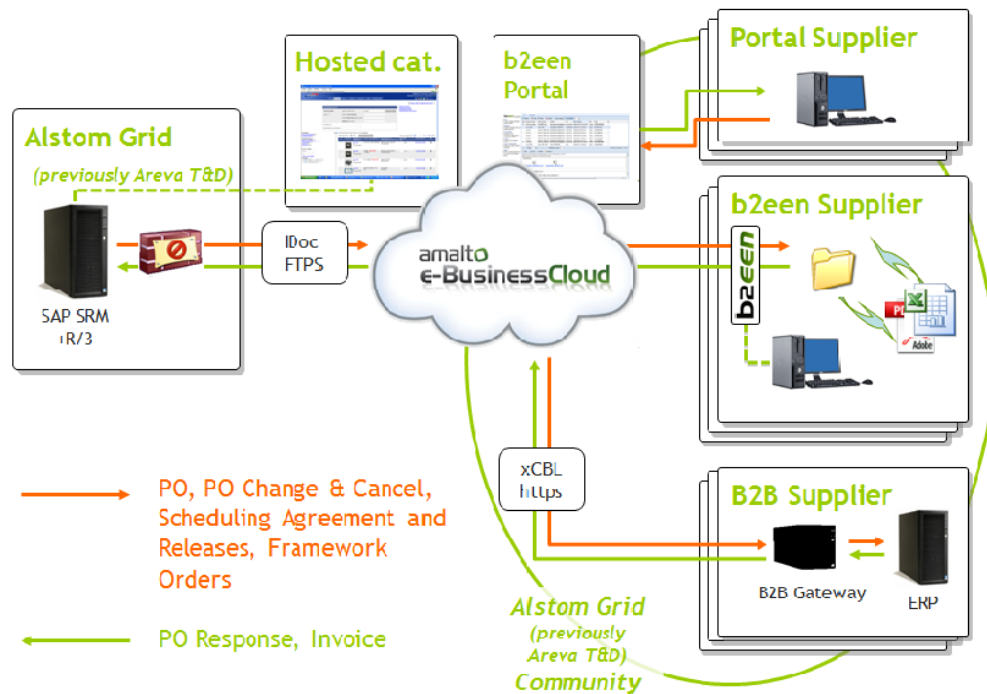
Using b2een is much like using an email solution such as Outlook or Lotus Notes, with fewer limitations, greater security, and no IT intervention.

For electronic catalogs, Suppliers can submit their data and multimedia elements including pictures and technical sheets via b2een.

b2een performs multiple controls on the catalog file: detect duplicates or format error, validate against listed values (in Alstom case, checks are made on Units Of Measure, Currency Codes and UNSPSC Codes – and Alstom accepts a subset of 9,000 UNSPSC Codes over the 22,000+ existing), verify patterns etc. In case of errors, b2een synchronously issues a detailed error log, allowing the Supplier to correct its file and resubmit.

Once correct, the file is further processed, first for validation by Alstom Purchasing department and then for publication on the Search Engine – where Alstom users will be able to search and add items to their Shopping Cart.

*Alstom Grid Private Community – Powered by the Amalto e-Business Cloud*



## Results

The solution in place ensures seamless bi-directional electronic document exchange between Alstom's SAP system and the Suppliers (plus Geodis for Chinese Suppliers).

For Alstom Grid, multiple benefits came with the solution:

- Full traceability: technical acknowledgements are sent by the Amalto e-Business Cloud each time a business document is successfully received by Amalto and each time it has been successfully delivered to the Supplier
- Better information for end users, due to the PO Confirmation process – allowing Alstom users to stay updated on Supplier response to POs (confirmed totally or partially or refused)
- Streamlined Account Payable process with automated import of electronic invoices into SAP, replacing time-consuming error-prone manual entries
- Reduction of maverick buying, thanks to electronic catalogs reflecting negotiated contracts

Suppliers, too, benefit from the solution

- For Suppliers using b2een, multiple ways to manage incoming or outgoing business documents (one single interface where all documents can be found, easy way to receive and send document)
- Full integration / automation for Suppliers having a B2B gateway or using a b2een plus a specific plug-in (Portal+ or b2een+ connectivity solutions)
- Reduced DSO since electronic invoices are directly inserted into Alstom systems

### What you will really save

AP Performance Area	Before Automation*	With Automation*	With Amalto
Invoice processing cost (PO & Non-PO Types)	\$27.00	\$12.00	<b>\$5.00</b>
Invoice Exception Rate	8.50%	3.50%	<b>0%</b>
Time to Process and Schedule Payment	23 Days	9 Days	<b>4 Days</b>
Payments Made On-Time	69%	75%	<b>80%</b>
On-Time Payments that Earn Discounts	47%	59%	<b>65%</b>
Payments Settled Electronically	34%	41%	<b>48%</b>

\* Industry base data from the Aberdeen Group