

Power System Shopping in global partnerships



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The combination of pre-engineered power system solutions and eBusiness creates a win-win situation for customer and supplier alike. For the customer, it means faster order handling, clarity of communication and increased quality, all made possible by the standardized product and order handling system which ABB offers its customers worldwide. This customized one-stop shopping center for all electrical power equipment based on our partner's individual requirements ensures that reliable and durable relationships with customers can be strengthened.

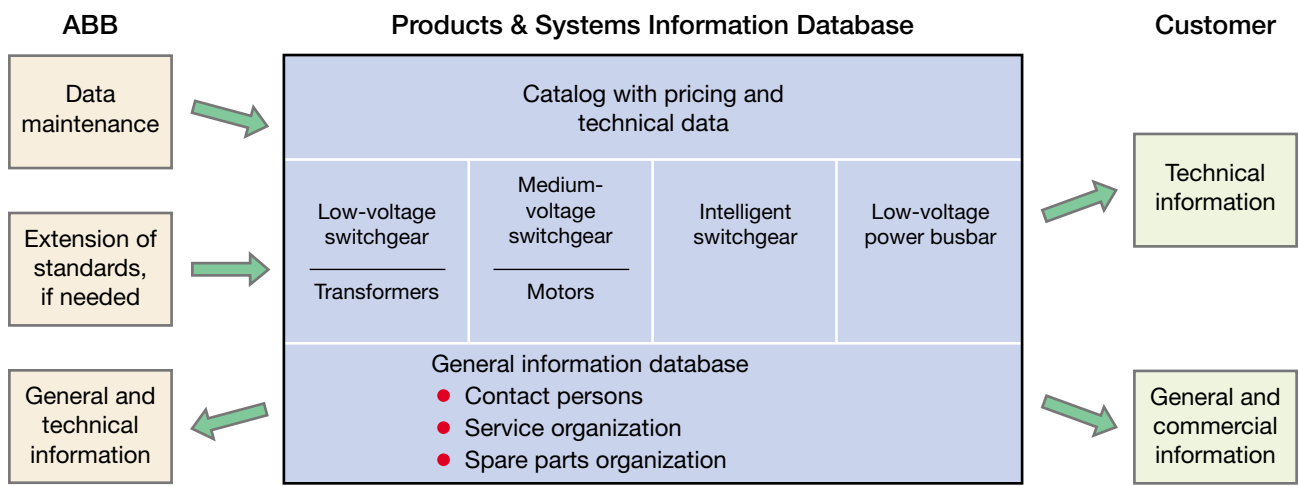
Partnership is a strategic approach by the customer and ABB aimed at maximizing the return on business capital and human resources. It represents a commitment by two or more parties to working together to continuously improve a process, product or service. It establishes relationships and opens communication channels between the companies and between people on different levels. And it brings about changes in values and behavior, catalyzed by the introduction of new tools and technology that increase the overall effectiveness and success of the participants.

Well-defined communication channels and predefined work flows enable customers to cooperate with ABB on a global scale. A one-stop shopping center for electrical power equipment, customized and standardized to the individual requirements of the customer, is the key to short delivery times.

The importance of open communication

Partnership is also based on the need to accelerate business processes and reduce the cost of purchasing and supplying power system solutions, thereby creating a competitive advantage for both parties. The web-enabled tools that ABB has

developed for this purpose facilitate open communication between partners and enable the continual exchange of information – product and systems data, contact information, project information, and so on. They bring clarity to the interaction between complex organizational structures and provide the



Products and systems information database

perfect platform for fast, clear and efficient business communications.

A well-defined scope of supply is beneficial to both parties. Predefined packaging and pricing have a significant effect on the time spent on negotiations, technical clarification, engineering, manufacture and delivery. Among the benefits this brings are excellence in the areas of quality and service, and savings in time and costs.

Evaluating needs for customized solutions

The relationship begins with analysis and engineering to determine the technical requirements of the applications concerned. This is an intensive exercise for which the partners set up working teams to develop the products, system applications and processes that 'fit the purpose' of the application. ABB provides the engineering expertise to tailor the power system solutions to the needs of its partners.

A system shopping portfolio is created jointly by ABB and the customer. It encompasses the customer's needs from substations to lighting to low-

voltage systems, such as motor starters, motors and drives. The pre-engineered solutions are then stored in an application reuse library.

The advantage of standardized solutions is that they do away with the time-consuming project engineering and subsequent delays in manufacturing start-up, both of which have been known to jeopardize project schedules. Global stipulations and local requirements concerning pricing, delivery, terms and conditions are documented in the contract.

IT solutions for effective communication

ABB Low Voltage Systems already partners many industrial customers. Long-term agreements are supported by a web-enabled tool containing information specific to each customer. The tool provides...

- An online catalog and shopping basket
 - Product information
 - Project design information
 - A data and application library
 - Commercial information
- ...and facilitates
- Budget and detailed pricing

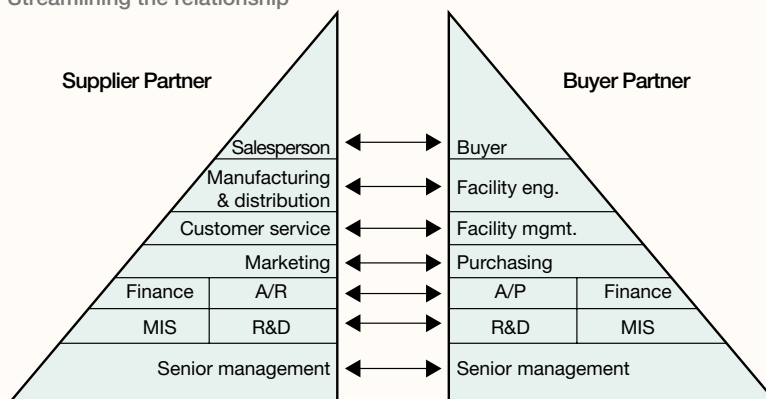


Streamlining the buyer/seller relationship

In the traditional buyer/seller relationship the selling organization and the buying organization are largely out of touch with each other. Only informal relationships, if any, exist between company executives and between the respective finance, accounting, marketing and R&D people. Nor is there any more than the traditional contact between the seller's manufacturing, commissioning and customer service departments on the one hand and the buyer's facility engineering/ management and purchasing units on the other. Organizations interact primarily through their buyers and salespersons.

ABB is using intelligent technology to streamline this relationship and turn it into a genuine partnership. Open communication and predefined work flows will let customers cooperate with ABB on a global scale, changing once and for all the way business transactions are carried out.

Streamlining the relationship



- Order handling
- Joint project management
- Customer feedback

One of the main benefits of Power System Shopping is that it eliminates error and paperwork. Detailed system information stored electronically helps to avoid communication errors between the project team and the purchasing or order handling department. Engineering information and release notes are published and made immediately accessible, thus reducing the unintentional use of outdated information. Any other information that

is vital to the relationship, such as a detailed description of the business process and personal contact information, can be posted on the site to help enrich the electronic interaction between partners. System security is ensured and access levels determined by user logins which identify users as readers, project managers or purchasing administrators.

Information regarding aspects of project management from initial inquiry to follow-up and delivery schedules is stored in a common database. Buyer and supplier teams can monitor progress and adjust, if necessary, such items as scope,

quantity and delivery dates. The teams can also alert one another to matters relating to current deliveries and upcoming projects.

A primary objective of intelligent technology is to improve communication between partners. Local sales staff have the chance to monitor project data and visit the customer to ensure that local needs are being met within the framework of the global agreement. An automatic escalation process is built into the system to keep regional partners and global account executives informed and to ensure a fast response to partner inquiries.

Global partnerships – the key to eBusiness

A fully comprehensive eBusiness system is made possible by, and relies on, global partnerships. The location of the manufacturing site becomes less important and factory tests are speeded up because on-time and in-scope deliveries are ensured by the global standards agreed on by the partners. Productivity is increased, costs are reduced, and quality and service are enhanced, all of which give the customer the competitive edge needed in the global marketplace.

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