

Supplier Convention Days



Experience immediate
cost impact with our
elaborate Supplier
Days

Supplier Convention Days

Delivering immediate impact on cost and innovation



The challenge

The economic decline was hitting a Siemens business unit / segment significantly. Procurement had little experience in negotiating prices and the cooperation between Procurement and Engineering was limited. Therefore, they required support in designing and executing professional Supplier Conventions Days.

Our approach

Utilizing our proven Supplier Convention Days methodology focusing on cost reduction and Design to Cost opportunities by enabling short-term negotiation results and optimizing the supplier base.

The impact

Realization of short-term contribution to net income (=savings!) by well prepared negotiations including clear agenda, management attention and defined roles. Additional savings through cross-functional involvement resulting in more than 94 identified Design to Cost measures.

A modular concept covers a variety of targets

Supplier Convention – Set-up configuration

Management speeches

- Official welcome, presidential address
- "Pain speech"
- Ideas for improvement

- Clear communication of expectations
- Information and appreciation
- Management attention and support

Possible modules (selected)

"Conventional negotiations"	Parallel negotiations	ANCs ¹⁾ (eBiddings/ eAuctions)	PVC ²⁾ - negotiations
Design to cost-workshops	Cao-workshops	Joint creativity workshop	GVS ³⁾ - or localization-workshops
Supplier fair	Siemens fair (introduction of BUs)	Supplier company presentations	Supplier evaluation and development workshop

- Individual or common workshops (depending on target)
- Cross-functional teams, where required
- "One Company": Aligned strategies, one face to the supplier

Continuous follow-up

- Joint summary of measures
- Lessons learned and development of future strategy
- Roadmap for implementation incl. tracking

- Outcome of workshops: Signed agreements
- Internal follow-up strongly required
- Future strategy based on past experiences

1) ANC = Advanced Negotiation Concept, 2) PVC = Price Variation Clause, 3) GVS = Global Value Sourcing

Our proven standard process ensures success

Supplier Convention – Approach

	Concept 01	Analysis 02	Event Design 03	Event Execution 04	Final analysis and conclusions 05
Tasks	<ul style="list-style-type: none"> Define detailed objectives, scope, timeline, approach, location and responsibilities Conduct cross-functional kick-off meeting Select and analyze existing suppliers and/or challengers Organize event Prepare and send invitation letter to selected suppliers Collect and evaluate supplier feedback 	<ul style="list-style-type: none"> Conduct analysis of: <ul style="list-style-type: none"> Demand Price development, cost drivers Contract situation Market Technologies and competences of suppliers Status supplier evaluation Strategic aspects Identify potential levers per supplier 	<ul style="list-style-type: none"> Define individual material field targets Cross-functional strategy workshop to tailor event design Define and train Siemens staff and roles Set scene and message by senior mgmt. speeches to express strategic importance Formulate over-all event strategy focusing on fast action and limited time for decision making 	<ul style="list-style-type: none"> Start the event with an introduction and overview of course Present speeches Break out participants into groups according to event design Strict time mgmt. and assure the agreed upon event design is followed Tracking of individual work sessions result Result presentation and agreement 	<ul style="list-style-type: none"> Analyze and evaluate achieved results and map to initial objectives Derive measures to close potential gaps Document and present results to senior mgmt. Formal communication to participants
Results	Objectives, participants, timeline and location of the event are defined	Supplier dossiers are complete and levers for negotiation identified (if applicable)	Event ready for execution: <ul style="list-style-type: none"> Strategy formulated Roles trained 	Event completed according to design; measures and due dates agreed	Event results analyzed/evaluated and communicated