



HOPKINSONS CASE STUDY

Introduction

Hopkinsons (part of the Weir Group) wished to implement an e-Business system, which would enable them to deal with their suppliers more efficiently. Hopkinsons implemented SAP 3.1i several years previous and wanted a system that would grow with them and not incur huge consultancy charges.

Hopkinsons comprised of several business units and they required a way of consolidating one view across all business units for both internal users and suppliers. Hopkinsons have a very good relationship with their suppliers but due to breaks in the communication flow often parts would be delivered late or to the incorrect specification. What was required was a system that would enable both suppliers and buyers to have access to the same information as and when required but not compromising on security.

To rectify these problems and also increase the functionality of their SAP system Hopkinsons decided to implement i2B's eSRM system.

i2B have years of experience in both ERP and Supplier Relations and pride themselves on their ability to rapidly adapt to changes in their clients needs and also changes in the environment.

By keeping the focus of the business on serving the needs of their clients but placing strategic emphasis on eSRM (Supplier Relationship Management) Hopkinsons have established significant success and are able to deliver sustained competitive advantage to clients through expertise and industry knowledge.

Benefits to Hopkinsons

Hopkinsons gained substantial business benefits and cost savings by implementing i2B's eSRM system.

Some of the benefits that Hopkinsons have by using eSRM are:

- **Improved Efficiency of Purchasing Personnel**
By automating mundane procurement tasks frees up Hopkinsons buyers to concentrate on strategic takes such as supplier negotiations.
- **Increased Profits**
By cutting the cost of requisitioning and purchasing both production and non-production goods and services bottom line profits are increased.
- **Increased Efficiency**
One of the problems Hopkinsons wanted to overcome was to reduce breaks in communication. Automating these processes and reducing the delays and errors that arise from paper-based systems was a benefit that they were keen to implement.



- **Working across Business Areas**

Hopkinsons have many business areas and it was important for them to have one view across all areas of the business.

eSRM gave them the functionality to see what stock was outstanding / charged from one supplier regardless of which business area they were delivering to. Having a consolidated procurement view means that Hopkinsons know if they are being charged different prices across different business areas.

- **Access to information anytime, anywhere.**

As some of Hopkinsons Suppliers were not based in the UK sometimes communication would be a problem. But as eSRM can be accessed from any standard web browser, from anywhere in the world and will be displayed in the language of the users choice this is no longer an issue.

- **Empowerment**

eSRM has been designed to have a walk up interface, with little or no training the user will be able to handle the whole system, this meant no time was required to train employees/suppliers once the system went live everyone could use it immediately.

- **Scalability**

Hopkinsons have many suppliers ranging from large multinational organisations to sole traders, therefore it was important that the system would be accessible all ends of the spectrum. eSRM is a scalable and configurable solution that provides an advanced procurement solution to all organisations, all that is required is access to the internet.

Other Benefits that Hopkinsons required were:

- A fully integrated, supported and easy to upgrade system.
- Additional functionality and cost benefits of their existing SAP R/3 Implementation.
- A system that will provide Hopkinsons with a software platform designed specifically to
- enable full utilisation of the Internet for future company initiatives.

The Project

Hopkinsons used a phased approach to implementing eSRM, initially Purchase Orders, Delivery Schedules, Request for Quotations, All your Documents, Vendor Details, Material Search facility and Changed Documents were required. Hopkinsons saw this approach to be better for them as it would ease the suppliers into using the system, as the system needs little to no training suppliers were keen to come on board.

A pilot system was in place for several weeks prior to the live system, this way any functionality that the suppliers/buyers felt that they needed, that wasn't standard in the system, could be configured prior to go-live.

To implement the modules that Hopkinsons required for Phase one took 20 days. This included configuration of new code to incorporate changes Hopkinsons required so that the system fit their business perfectly.



Cost Savings to Hopkinsons

The cost savings to Hopkinsons were immediate as documents that were traditionally sent to the supplier via post, fax (and often followed up via email and telephone) is now automated. Now once the orders have been input into their SAP system eSRM automatically alerts the supplier that a new or changed order has been raised on them.

Description	Number of
Number of current Suppliers	8687
Number of Documents raised Aug 2001	1659
Number of Documents raised Sept 2001	1269
Number of Documents raised Oct 2001	1303
Number of Suppliers used Aug 2001	354
Number of Suppliers used Sept 2001	322
Number of Suppliers used Oct 2001	330

Description	Number of
Average no of Documents raised per month	1410
Average no of Documents changed per month	1100

Description	Savings
Estimated savings per month	£25,103.33
Estimated savings per quarter	£75,310.00
Total projected savings year one	£301,240.00

Note: Costed savings based on a very conservative £10 cost per document (£40 less than the CIPS model)

More information

To see how much you could save contact i2B :-.

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