

Case Study: Rollout - ROI

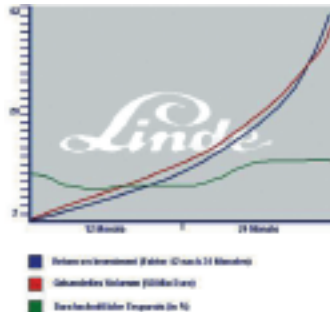
Linde Gas introduces ESC 4.0

Situation Assessment

Linde Gas, a business segment of Linde AG, is Europe's largest producer of industrial gas and maintains a global presence with subsidiaries in the U.S., South America, the Middle East and Australia. Through its numerous production and distribution sites and over 3100 employees in Germany alone, Linde Gas provides gas to over 210.000 customers in Germany, with annual revenues of 870 million Euros in 2002. With the introduction of e-Sourcing, Linde Gas aimed at creating positive customer-to-supplier relations across the entire value chain. Linde's international strategic sourcing group has been spearheading the organization's e-Sourcing initiatives.

Solution

Within an extensive evaluation of providers from North America, Northern and Central Europe, Linde compared the various providers' performance with regard to the range of process coverage, stability, functionality, as well as user-friendliness and ultimately the individual cost-benefit ratios. Linde chose Portum's Enterprise Sourcing Cockpit 4.0. While initially emphasis was laid on online-tenders, the scope was broadened in early 2002, when online-auctions were introduced as a fundamentally new component within the company's e-Sourcing solutions framework. Linde decided to introduce Portum's solutions on their own and developed a guideline for Power Users based on previous experiences. Each country site appointed and trained an "e-Sourcing Champion" who is responsible for online-tenders and auctions. Since 2003 each country site develops e-Sourcing plans, including aggregate trade volumes, negotiation timelines and target prices, thereby sustaining and expanding the positive results for their organization.



Success

e-Sourcing has become an integral part of Linde's daily business in subsidiaries throughout the U.S., Italy, Spain, France and the Netherlands with further expansions already planned in South America and Eastern Europe. Since its introduction, Linde was able to achieve an average of 10 % saving on 50 million Euros of traded volume. "Of course these saving are not only due to technology, " according to Udo Lein, Manager and responsible for the new e-Sourcing project, „but with a certain regularity we experience amazing surprises, in a recent project we generated over 40% of savings!"

Udo Lein

Manager Purchasing Services Linde Gas, comments on Roll Out:

“A good sourcing tool constitutes the basis for a successful rollout. Equally important are the levels of organization and communication.”

