

GLOVIA™

Fujitsu Telecommunications Europe

Integration of supply and demand chains with core ERP delivers huge cost savings and enables leaner demand driven manufacturing

Who: Fujitsu Telecommunications Europe Limited (FTEL) is a major supplier of broadband access equipment in Europe and is Fujitsu's designated worldwide location for access network solutions. FTEL is playing a fundamental role in the creation of "Broadband Britain"—from world-leading products and technology, through project planning, community liaison, cable laying and civil engineering, to installation, implementation and ongoing maintenance.
www.ftel.co.uk.

Location: Headquartered in Birmingham, UK

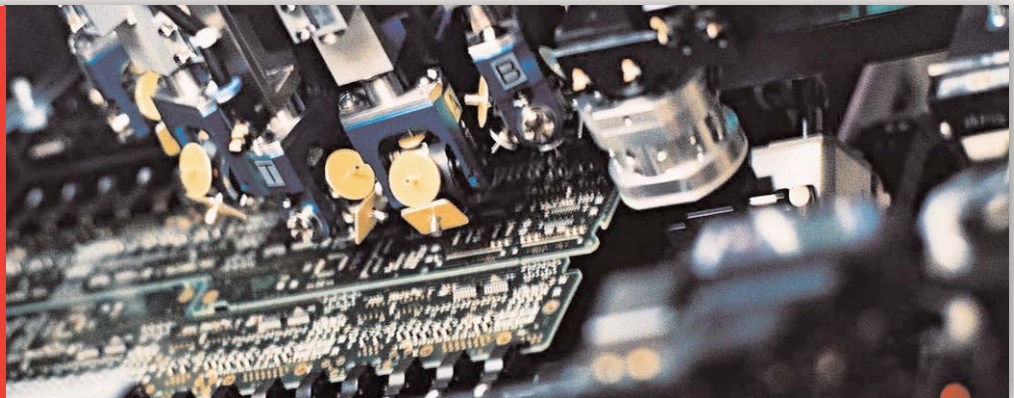
Business problem: The telecom industry has had to weather some difficult times over the last several years. As a market-leading supplier, FTEL was being challenged to increase its level of service and responsiveness while at the same time boost productivity and reduce costs.

Solution: In 2002, FTEL decided to automate the bulk of its purchasing operations by implementing Glovia's Collaboration & Integration solution, which is part of Glovia's extended ERP solution glovia.com and includes the XML capabilities of Fujitsu's Interstage e-business platform.

Benefit: A 50 percent headcount reduction across the whole purchasing operation, much reduced supply chain delays, and a marked improvement in the accuracy of orders.

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The United Kingdom has had the greatest uptake of Internet access in the European Union. More than 50 percent of homes are now connected to the web and this percentage continues to grow as UK citizens realize the benefits of global access to information and the ease and simplicity of email communication. Telephone network companies such as British Telecommunications have been striving to equip their exchanges with the required digital capability so that they can provide the higher speed broadband internet access now being demanded by their millions of customers.

In the home, the way to take advantage of this higher speed access is to get connected via something called an ADSL broadband modem. If you already have one of these devices or are about to purchase one, the chances are that Fujitsu Telecommunications Europe Limited, or FTEL, will have manufactured it. FTEL is the leading supplier of broadband solutions in the UK market. This adds to the company's existing leadership positions in the areas of digital fiber optics, fiber access solutions, and voice transmission over digital networks.



Leveraging glovia.com

This success did not just come about by chance. FTEL had to deal with the downturn in the telecommunications market and while FTEL's push into the increasingly popular home broadband market did prevent them from being as badly hit as other telecommunications

companies, nevertheless there was an evident slowdown. However this lull proved also to be an opportunity, as Julie Wilks, FTEL Business Application Manager explains.

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—Julie Wilks, FTEL Business Application Manager

“We had been using Glovia's ERP solution, glovia.com, for a number of years and decided to take advantage of the slowdown to examine ways of making better use of what we already had and also to look at what else Glovia could provide us with to improve our business efficiency. Our plan was to make sure we would have a competitive advantage when the telecommunications market returned to solid growth. In 2002, we upgraded to release 6 and this enabled us to eliminate virtually all of our customizations and clear the decks for the way forward. Then, after implementing some much needed capacity planning, our gaze turned towards our supply chain.”

Trading Electronically

FTEL's procurement department was best described as manual or traditional—and only took advantage of glovia.com to the extent that they used it to generate purchase orders. Tens of thousands of these orders were generated and sent to hundreds of suppliers. However, what Julie Wilks and her team realized was that over time there had been a progressive shift in the pattern of purchasing. On detailed examination, it became clear that FTEL was buying 60 percent of its components from just three major suppliers. Moreover, these suppliers were large global corporations in their own right and had already invested to some degree in ways of trading electronically.

"We knew that Glovia had provided other customers with B2B solutions based on XML and were keen to know more," Wilks continues. "In the end we decided to invest in Glovia's Collaboration & Integration solutions which comprise not only an XML framework but also Fujitsu's Interstage application, collaboration, and workflow components. What we wanted was a complete, integrated solution which would be capable of trading with hundreds of partners using a variety of global industry standard protocols such as Rosettanet and ebXML."

Fujitsu's Interstage Suite is a broad family of modular, flexible, real-time software products that allows enterprises and their partners to design, develop, deploy and manage scalable, customized mission-critical applications securely and reliably. The Interstage Suite provides one of the broadest ranges of application infrastructure software products. These products are used to build applications that simplify and accelerate business processes, maximize revenue, lower operating costs, improve customer service and time to market, and help businesses react quickly to changing market requirements.

The contract was signed in early February 2003 and the first test purchase order was transmitted electronically on April 1st. By the end of July 2003, the system was fully live and handling high volumes of transactions with the key suppliers.

Operational Improvements

The effect on business efficiency was fairly immediate, as Julie Wilks recalls. "Purchasing is a key business process for any manufacturer and is usually quite labor intensive, however it is not normally possible simply to slash the headcount without jeopardizing the overall business. However, by effectively automating the bulk of the purchasing process we were able to do just that. By

allowing Glovia, via its trading engine, to send out the bulk of our purchase orders electronically and receive acknowledgements and modifications electronically, we cut the headcount in our purchasing department by 50 percent. At the same time we took considerable delay out of our supply chain."

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Apart from these immediate improvements in productivity, there were a number of other important benefits that came along too. In 2003, due to an increase in business, FTEL was processing more orders than ever and was able to cope with this increase without any increase in overhead. Equally important, as Wilks recently commented in the press, "We are getting much more accurate information on purchase orders and deliveries because the information is updated electronically. In addition, after placing the order, we are getting immediate electronic



feedback as to when we can expect to receive the materials. This information is vital for accurate factory planning and scheduling."

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Moving Forward

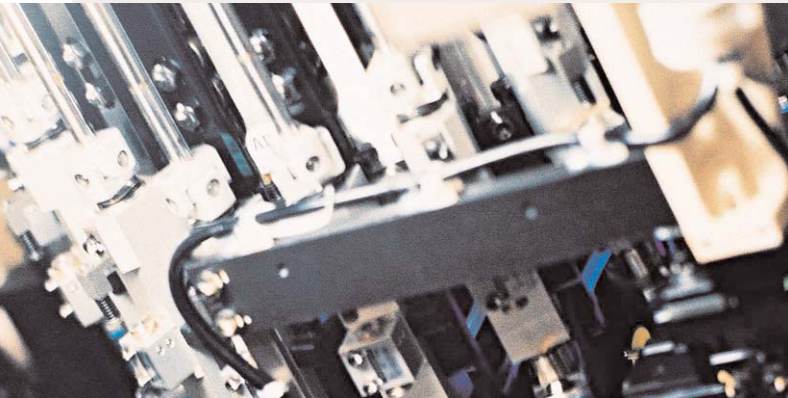
FTEL is now also looking in the other direction, at the benefits of trading electronically with customers, thus linking their demand chain directly into Glovia. "We have begun a project that will enable us to handle XML-based sales orders through our Glovia trading engine. We provide both products and services to customers such as British Telecommunications and the process will handle not only the delivery of goods but the management of jobs, so we can feed back progress on those jobs to our customers," explains Wilks.

"The benefits on the sales side are that we expect to handle an increase in the number of orders without increasing our overheads," she continues. "We are also looking at getting advance planning information from our customers before they place orders."

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Summarizing, Wilks declares, "We have made significant progress in making the FTEL manufacturing plant a lean operation and we aim to continue to be even leaner and more demand driven going forward. We see the adoption of glovia.com Collaboration & Integration, giving us the integration with our supply and demand chains, as a vital component of that strategy."



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