

# High-Tech Manufacturer Tames Global Supply Chain Complexity

How Advanced Supplier Relationship Management Transforms Operations



High-tech manufacturing businesses rely heavily on the companies in their supply chain to deliver on time, on spec and on budget. But it doesn't stop there. Sustainability has also risen to the top of supplier selection checklists, while agility, quality and collaboration have become "must haves" for lasting supplier relationships.

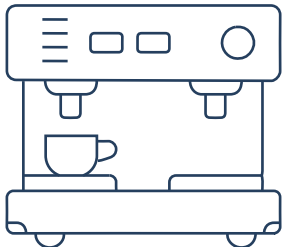
This is why a well-established Italian player in the global market for **smart heating elements and systems** turned to **Tesisquare** to revamp its supplier relationship management (**SRM**). Like many component makers, this company sits between a rock and a hard place, with little room for error. It has to source raw materials, produce components, and then flawlessly deliver them to its demanding customers, who make products ranging from **espresso machines to electric cars to satellite systems**.

Previously, this manufacturer found itself juggling supplier communications, specifications and procurement documents from disparate sources, racking up inefficiencies and risks that became less tenable as time went on. Now, with all this and more consolidated on a **Tesisquare SRM** platform and integrated with other enterprise IT systems, the company has gained significant efficiencies.

In light of the current volatility and complexity of U.S. and global supply chains, no manufacturer has much room for error in supplier relationship management. The tangible advantages offered by advanced **SRM** are becoming indispensable for improving cost, reliability, environmental sustainability and business performance, as illustrated in this case study.

## CUSTOMER STORY: PIVOTAL PARTNER TO GLOBAL INDUSTRIES

This Tesisquare customer has attained global reach and market leadership in the manufacture of smart heating elements and systems, including:



A PIVOTAL ROLE IN INDUSTRIES INCLUDING AERONAUTICS, AUTOMOTIVE, MEDICAL TECHNOLOGY AND HOUSEHOLD APPLIANCES



**FIFTEEN** PRODUCTION SITES ACROSS EUROPE, NORTH AMERICA AND ASIA



**OVER 8,000** EMPLOYEES AND HUNDREDS OF MILLIONS IN ANNUAL REVENUE



THOUSANDS OF DIRECT AND INDIRECT SUPPLIERS **ACROSS THE WORLD**

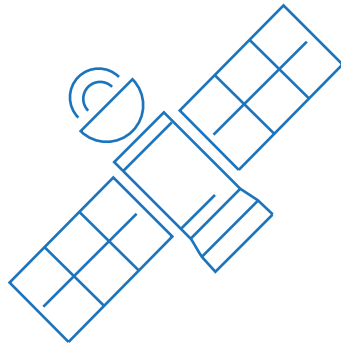


HIGH MARKS FOR SUSTAINABILITY FROM INDEPENDENT ENVIRONMENTAL RATING ORGANIZATIONS

## FACING CHALLENGES: COMPLEXITY AND REGULATION

Manufacturers of all stripes are learning to live with recurring shortages, disruptions, price spikes, heightened regulatory requirements for environmental sustainability, and other modern global supply chain issues. In the case of this customer, which adheres to "lean" principles that optimize production and supply chain management, the current environment called for additional steps to avoid stockouts, delays and out-of-control costs. So the supplier base was grown as a way to diversify sourcing and reduce reliance on any single vendor, but the resulting supply chain complexity also had to be addressed.

That complexity was magnified by the many distinct processes required to manage the manufacturer's thousands of suppliers and hundreds of products for industries as varied as medtech, aerospace and automotive. For instance, master data needs to be collected and stored about each item handled, including a meticulous description, quality specifications and several other vital details. Drawings have to be shared with suppliers, who in turn provide certificates of origin and compliance information on technical, safety and environmental regulations.



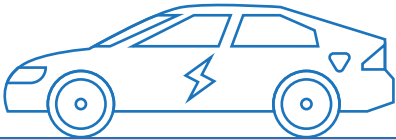


DIGITIZING SUPPLIER RELATIONS:  
CONSOLIDATION AND  
TRANSFORMATION

Since 2022, the manufacturer’s sourcing, procurement, replenishment and execution processes have been digitized, standardized and consolidated on the Tesi SRM platform, including the bidding and day-to-day execution of orders, delivery schedules and other vendor management. So have supplier communications, whether uploaded directly into the vendor portal or automatically integrated into the portal from email or an electronic data interchange (EDI) feed.

The manufacturer publicly described the launch of its new Tesisquare-powered vendor portal as essential to successfully managing today’s rapidly changing business environment, underscoring its promise to accelerate procurement processes, reduce delivery times and improve quality.

CHALLENGES	BENEFITS
Necessity to proactively manage supplier services.	Improved decision-making.
Needed verification of deliveries and delivery times against contracts.	Reduced time-to-market.
Desire to improve the planning of goods receipt activities.	Overall cost savings.



ACHIEVING RESULTS:  
CONSOLIDATION AND TRANSFORMATION

Top-level benefits derived from the Tesi SRM platform have included improved decision-making and overall cost savings. Breaking this down further shows these gains within one year of implementation:

<p><b>EFFICIENCY:</b></p> <p>An average 15% reduction in internal lead time — products move through procurement and supply chain processes faster due to the reduction in manual work on spreadsheets, more active involvement by suppliers, increased knowledge sharing across the company and other improvements.</p>	<p><b>INVENTORY MANAGEMENT:</b></p> <p>A 10% reduction in costly inventory due to the enhancement of supplier collaboration and service levels, including more use of vendor-managed inventory and consignment to offload some of the manufacturer’s own inventory carrying costs.</p>	<p><b>RISK MANAGEMENT:</b></p> <p>A 30% risk reduction due in part to greater visibility, with every activity tracked in the system, along with associated time frames and personnel. Also, a reduction in regulatory risk, including in preparation for compliance with the European Union’s emerging digital product passport rules for environmental and social responsibility.</p>
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POTENTIAL FOR THE U.S.  
MANUFACTURING INDUSTRY

Manufacturing places uniquely challenging demands on suppliers. In today’s global market, mounting supply chain disruptions, regulatory oversight and sporadic shortages compound those challenges. And now a perfect storm could be brewing in the U.S., with a surge predicted in U.S. manufacturing and the ongoing restructuring of overseas production to more on-shore and near-shore locations. As this case study shows, however, consolidating and transforming supplier relationship management can help give American manufacturers the strength they need to stay ahead of supply chain complexity and disruption.