

John Crane EAA

Press Release

Close collaboration between a leading engineered sealing solutions manufacturer and a systems integration specialist has led to the creation of an innovative new on-line procurement system. The system, which delivers a genuinely individual product selection and ordering process to each customer, has already revolutionised the way in which one major oil and gas industry player sources its sealing solutions and now looks set to do the same for many other organisations.

The seeds of the system were sown when the oil and gas major asked sealing solutions manufacturer John Crane EAA to link its product catalogue to Trade-Ranger, the global destination for online procurement in the energy and petrochemical industries.. Although this presented a major challenge to a supplier with a complex, configurable product range, John Crane set about devising a solution and approached Rex, an independent technology consultant and systems integrator, for assistance.

Working closely with both Trade-Ranger and the Microsoft Corporation on whose software John Crane's system is based, John Crane, supported by Rex, created a new system that effectively gives each customer round-the-clock access to a bespoke John Crane website. Each personalised site contains a version of John Crane's product catalogue, which has been individually tailored to that customer's requirements. From their own procurement application the customer can view the pricing and availability of

COLLABORATION EXERCISE CREATES INNOVATIVE NEW PROCUREMENT SOLUTION

products specific to their own organisation, enter a simplified product selection/ordering process, and gain access to John Crane's extensive application knowledge via the configuration tools.

For highly configurable products, the John Crane solution delivers great advantages over a standard eProcurement model, including reduced order processing and catalogue maintenance costs, less administration, improved order cycle times, lower procurement and accounting costs and a reduction in errors as re-keying of data is eliminated.

The success of this pilot system illustrates the high priority which John

Crane gives to customer support and service. Examining the real requirements of a major customer throughout the development stages of the project allowed the company to establish a standard set of tools with which it can now create a genuinely individual interface site for each customer, without incurring any significant extra costs.

Encouraged by the success of this pilot scheme, numerous other oil and chemical majors are investigating the possibility of linking the John Crane extranet into various international private and public eMarketplaces.

More details of the system can be obtained by contacting Yvette Tack of John Crane EAA on 0161 872 2484.

"This is an important development that incorporates a variety of systems we have developed over many years. As the systems consultant for this project, Rex worked with us to build a framework where we can combine those systems to provide huge benefits for our customers. We now effectively have a standard method of linking our customers' systems to our own extranet. This delivers significant benefits by individually tailoring the content and tools of each extranet to satisfy the customer's specific requirements."

Kevin Murray, eBusiness Director of John Crane EAA.

rex 

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Origins of the collaborative procurement system

Trade-Ranger was launched in July 2000 as a joint initiative by 15 of the world's leading energy and petrochemical companies, whose collective annual spend on indirect materials and services is more than \$125 billion. Their aim was to conduct much of that procurement through a common electronic channel, using common electronic transaction processes and catalogues. The trading exchange would help each supplier/buyer relationship avoid having to reinvent the necessary infrastructure; help reduce order processing and catalogue maintenance costs; improve spend management; and facilitate strategic sourcing.

When John Crane (part of the Sealing Solutions division of Smiths plc) was approached by a major oil industry player and asked to link its product catalogue to Trade-Ranger, both parties recognized that a customized solution was required. Even a highly sophisticated 'linear' catalogue could not accommodate John Crane's portfolio of over 400 products, any one of which can have up to 18,000 variations. A process needed to be developed which would allow eProcurement of John Crane's complex, customizable product line to deliver benefits to both buyer and supplier.

Mechanics of the system

When the customer enters their own eProcurement system to source a product they are immediately routed (without further login and via a secure connection) to John Crane's Microsoft.NET-based extranet. To reduce the need for training, the appearance of John Crane's extranet can be tailored to suit the customer's requirements by providing a 'skin' with which they are already familiar. The customer can then:

- Review availability and prices specific to their own company, searching by multiple customer and supplier part numbers, drawing numbers and multilingual descriptions
- Configure seals from an approved set of combinations, using the attributes they require to arrive at specific part number
- Select their preferred solution from a range of options approved for their own application. This is done by automatically combining their sealing requirements with the John Crane sealing expertise embodied in the system's unique rule-based selection engine

Combining this type of selection tool with location-specific product groups allows both John Crane and the customer achieve cost benefits from the automated rationalisation of the product range.

When the seals have been selected, the shopping cart (or material requisition lines) including part number, price, quantity and agreed standard delivery time are then 'returned' to the customer's own eProcurement system for a pre-defined approval. Once complete, an electronic purchase order (based on CIDX XML standards) goes via Trade-Ranger to John Crane's ERP system. John Crane then returns an electronic response to the customer via Trade-Ranger. There is no paper or administrative intervention beyond the selection and approval process.

Using custom software written for this system by Rex, a common price database can be maintained by the local John Crane account manager and approved by the customer prior to becoming valid. This results in the relationship between the customer and John Crane being strengthened through increased customer satisfaction.

A global team

An international team from John Crane (UK), Rex (UK), Trade-Ranger (London and Houston) and a major oil industry organisation completed the pilot project within 120 days. Consultants from Rex led the integration of John Crane's extranet with the business systems of both the oil major and Trade-Ranger. Rex built the John Crane solution on a Microsoft.NET platform that includes Commerce Server 2000, BizTalk Server 2000 incorporating the Accelerator for Suppliers (AFS) and CIDX software development kit.

Team members

John Crane EAA (Europe, Asia, Africa) is recognised as the world's largest designer, manufacturer and supplier of engineered sealing systems, solutions and associated products. The company provides the most comprehensive \

Trade-Ranger's founding members are Conoco, The Dow Chemical Company, ENI, Equilon Enterprises, Mitsubishi Corporation, Motiva Enterprises, Phillips Petroleum Company, Repsol YPF, Royal Dutch/Shell, Statoil, TotalFinaElf, Unocal, Occidental Petroleum and BP.

About Rex

Rex is an independent Consultant and Systems integrator which delivers supply chain and manufacturing solutions to the global oil and chemical sector. Rex was established in 1983 and is headquartered in the UK. (www.rexprocess.com)



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