



SupplyWorks secures automotive contract

By PATTY ENRADO

BEDFORD, Mass.—SupplyWorks' contract to streamline supply-chain processes and enhance supply-base management for BorgWarner Morse TEC marks the company's first major win to service a global automotive supplier.

Ithaca, N.Y.-based BorgWarner Morse TEC designs and manufactures automotive chain systems and components for engine timing, automatic transmission and four-wheel drive application. Daimler-Chrysler, Ford, GM, Toyota and Honda are among its customers.

With its SupplyWorks MAX, a comprehensive supplier relationship management (SRM) package, the company won the competitive evaluation over other vendors to increase BorgWarner Morse TEC's operational efficiency, improve its responsiveness and flexibility, and manage future growth.

SupplyWorks specializes in discrete manufacturing, in which complex products are built or assembled from hundreds to thousands of parts. It also focuses on three vertical markets, namely automotive, high-tech assembly, and industrial equipment. The company believes that the market for SRM software and services is between \$5 billion to \$7 billion in the discrete-manufacturing niche.

Jeff Hermann, president and CEO of SupplyWorks, said that the contract was significant because it demonstrated the company's ability to compete in this specialty space.

Jackie Bangs, vice president of business systems and logistics for BorgWarner Morse TEC, cited SupplyWorks's SRM functionality, deep automotive-industry knowledge, high-quality management team and the software's fast return on investment as the winning criteria.

"We are the first vendor that can deliver a fully integrated SRM solution that combines execution, collaboration and strategic supply-management functions in a single unified framework," Herrmann said.

He added, "If you look at our management team, each of us has deep experience (15 to 20 years) in the particular skills that are relevant to our positions at SupplyWorks. "We are talking about software systems that billion-dollar manufacturers use to run their operations. The technology has to be solidly designed, solidly implemented, and solidly installed. And it has to take into account the pragmatic realities of use in manufacturing plants," he said.

Kevin O'Marah, service director of supply chain strategies for Boston-based research firm AMR Research said,

"Direct materials sourcing is about feeding the factory and collaborative engineering and design is about defining new products. Suppliers are a big part of both, but the notion of an SRM suite implies that the "relationship" with suppliers needs to be managed."

O'Marah explained that while suppliers don't need to be persuaded to sell, they do need detailed operational information to function efficiently.

"SupplyWorks is a direct materials sourcing vendor who seems to have a well developed understanding of the process issues involved in feeding the factory. They bring some competence in supply-chain engineering to the party," he said.

According to Herrmann, his company has been able to weather the economic downturn due to the hot SRM market and the modest investment, low risk, quick ROI of its SRM software.

Although the company was founded in 1996, it wasn't until Herrmann joined and recruited the management team in 1999 that SupplyWorks developed its SRM vision and designed SupplyWorks MAX.

"For two years now, we've had a unified focus and we've been on the same track. The vision we had in 1999 has turned out to be right on target," Herrmann said.

He anticipates rapid growth in the next two years as the company strives to deliver a complete product offering.