

# Network visibility powers performance

**By moving to an outsourced B2B web-based platform for the management of its procurement cycle, EDF Energy Networks has improved on-time, in-full performance from its suppliers which, in turn, has contributed to EDF's success in driving up its own customer service levels.**

Faced with the challenge of providing extensive power infrastructure for the London 2012 Olympic and Paralympic Games, electricity distributor, EDF Energy Networks, wanted to improve its on-time, in-full performance to its customers – the company's 3,500 field engineers and project managers – in order to ensure that it hits its set targets. To achieve this critical objective, in early 2008 the company embarked on 'The Inventory Visibility Project', an initiative designed to transform its supply chain, in part, by replacing a costly manual ordering processes with a streamlined B2B solution that provides full visibility into the order cycle.

EDF Energy Networks decided to go the Software-as-a-Service (SaaS) route and selected Wesupply, with its managed intelligent B2B platform, to automate the ordering process and to provide visibility into its key supplier community. The new system has resulted in lower costs and improved confidence in the ordering process which, in time, will reduce the need to hold safety stock. But importantly, beyond this, Wesupply is now in the process of implementing a Dashboard of supplier KPIs that will enable EDF to monitor supplier performance, driving improvements in the on-time, in-full performance of suppliers. In turn this will help EDF to significantly upgrade its own on-time, in-full ratings to its customers.

## Background and Challenges

EDF Energy and British Energy are part of EDF Group, one of Europe's largest power companies providing power to a quarter of the UK's population via its electricity distribution networks in London, the South East and the East of England. The company supplies gas and electricity to over 5.5 million business and residential customers and is a key player in national infrastructure projects including the management of private electricity networks serving four London airports and the Channel Tunnel Rail Link.

EDF Energy Networks undertakes the infrastructure build and maintenance work between the pylons of The National Grid and the domestic or commercial end-user. A fast and efficient supply of materials to its service engineers is critical to maintaining high service levels to its customers.

With an annual spend within the logistics network of £250million, EDF Energy Networks initially wanted to simply streamline the communication of purchase orders to suppliers by moving away from laborious manual processes to an electronic means of communication, creating a more robust mechanism. This could have been achieved through a traditional on-premise software approach. But this was not to be the case.

Nigel Rouse, the newly appointed inventory demand manager at EDF Energy Networks, recognised the opportunities that could be gained by using an intelligent on-demand business process platform provided as an outsourced service. Having worked previously in the automotive manufacturing sector, he was aware of Wesupply's unique offering in this space and understood the benefits and the speed of delivery of results this solution provided. "What we were looking for was a web-based supply chain approach, an invoice matching and communications solution that could manage the life-cycle of an order right through to payment," he says.



## Case Study: EDF Energy Network

### The Solution

It was important to EDF Energy that the Wesupply solution interfaced successfully with their main SAP system in order that the whole sales-cycle and procurement-cycle is integrated – “So it all sits within an available-to-promise context in SAP,” says Nigel, now head of logistics. “The more information you’ve got, the more firm you can be about planning when a customer is going to get their goods.” As with any systems integration work Nigel admits that there have been some challenges; however, “The advantage of Wesupply is that it’s a flexible solution and a low-cost process relative to the configuration complexities of a mainframe system,” he says. In terms of timing: “It went reasonably smoothly, right on time and to the agreed plan.”

The scope of ‘The Inventory Visibility Project’ was to automate the purchase order management process for the top 35 of the company’s material suppliers, representing about 80 per cent of transactions by value and activity. Further suppliers may be brought into the system as the supply base changes.

The process managed by Wesupply involves: A purchase order raised by EDF Energy is sent by the system to a supplier. The supplier will then send back an acknowledgement with notification of the exact quantity to be sent and the scheduled date of delivery. Prior to goods being despatched by a supplier an advanced shipment notice (ASN) is sent to EDF Energy. When the goods are received at EDF Energy they are checked against the ASN to ensure that everything that was shipped was what was received and a goods receipt note is generated by the system and sent to the supplier. Finally, the supplier can create and send an invoice online via Wesupply using the data used from the ASN, which with one click of a button turns the information from the ASN into an invoice. By using the online invoice system the supplier finds it easier and faster to be approved by EDF Energy’s financial system.

### Intelligent Benefits

As Wesupply’s web-based platform is designed and built to understand the messages that it moves - rather than being purely a message delivery system – it can apply intelligence to the task. The system is designed to be proactive and fully collaborative, helping both parties achieve the best results by sending alerts to suppliers to remind them that goods need to be despatched or perhaps notifying EDF Energy’s inventory planners if a supplier’s ASN indicates a shortfall in supply. The system’s ability to interpret and check ASN’s to orders and verify delivery and invoicing creates an integrated managed process for purchase orders right through to payment.

In addition to generating alerts and checking for mismatches in data, the set of Dashboards and supplier KPIs that are being installed by Wesupply for EDF Energy will offer an insight into each supplier’s performance, a facility that will serve- to enhance supplier performance in terms of on-time, in-full deliveries. Improvements in this area will help EDF Energy to offer a better service to its field service engineers, and as a consequence will greatly contribute to the company achieving its own stringent delivery targets.

“Subscribing to the Wesupply service has enabled us to collaborate closely with our suppliers. Not only does this help our suppliers to manage cost based on accurate and timely orders, but it also helps us to provide an even better service to our customers,” says Chris Matthews, former head of logistics at EDF Energy Networks. “By improving order quality and visibility we benefit and so do our suppliers.”



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