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Defining the process

- **Defining the Processes**

- Demand
- Processing
- communication
- payment
- Reporting

- **Merging Strategies**

- Business
- Implementation
- Control

- **Implementation**

- Phase Management
- Staffing





DEMAND

Inventory

MRP

Vendor Managed (VMI)

JIT

3rd Party

Demand Item

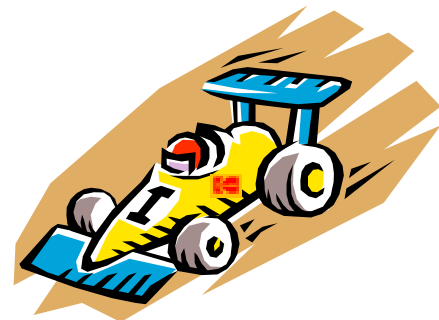
Hub Managed

Replenishment

Consignment

Drop Ship

People





Inventory

DEMAND



Site / Plant Maintenance

OEM

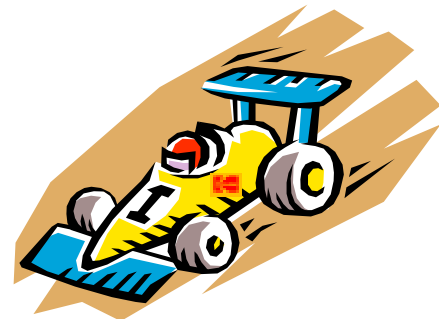
Equip Maintenance

Catalogs

Physical Services

Sub Contracting

People





OUTBOUND

PROCESSING

DEMAND

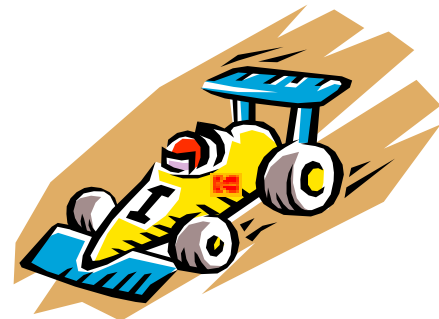
REQUISITIONS

- *Systems*
- *People*

Pre-Spend

- *DSI(Direct Signatory Invoices)*

INBOUND





PROCESSING

OUTBOUND

DIRECT

- *VERBAL*
- *P-CARD*

APPROVALS

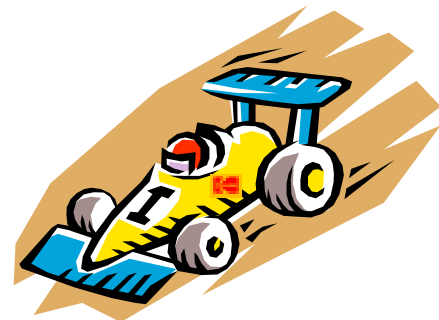
- *Requisitions*
- *Orders*
- *Spend*

ORDERS

- *Contract Releases*
- *Demand orders*
- *Transfers*

DEMAND

INBOUND





Communication

Demands

TRADITIONAL

- *PAPER*
- *EDI*
- *FAX*
- *E-MAIL*
- *VERBAL*

BUSINESS TO BUSINESS

- *INTERNET*
- *INTRANET*
- *P-CARD*

DEMAND

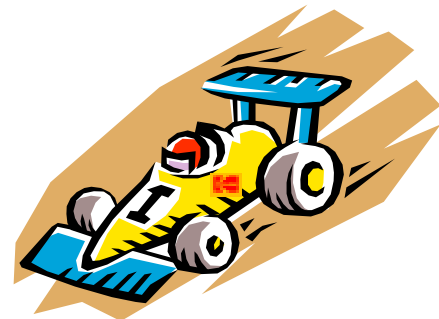
PROCESSING

FREIGHT

CERTIFICATIONS

*EXPECTED
DELIVERY*

NOTICES





PAYMENT

Traditional

- *Paper Check*
- *Cash*

Alternative

- *Barter Trade*
- *Counter Trade*
- *“Gratuity”*

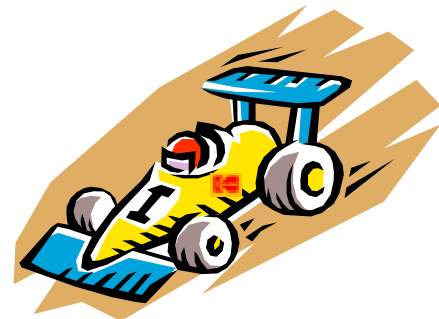
Electronic

- *EDI*
- *ACH*
- *Wire Transfer*
- *P-Card*

DEMAND

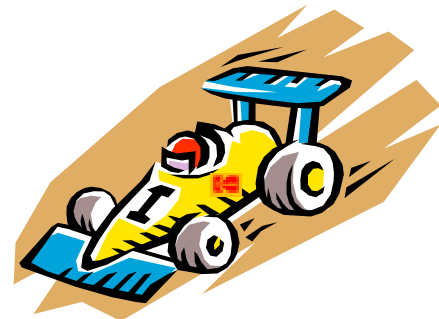
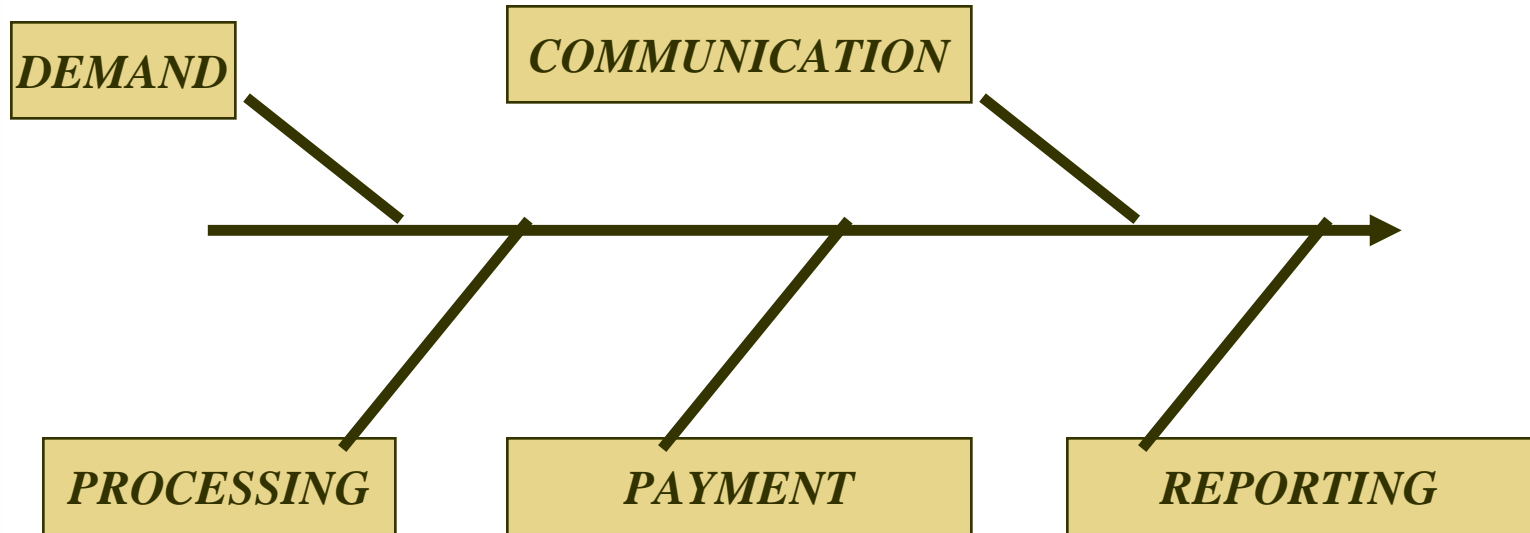
PROCESSING

COMMUNICATION





FULL PROCESS

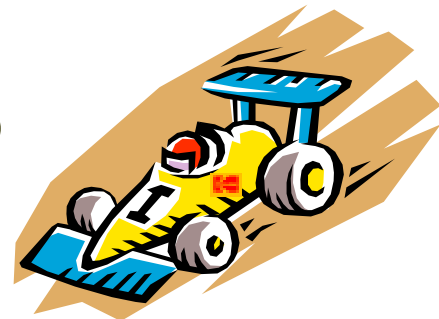




STRATEGIES



- **Business**
 - Direction
 - Philosophy
- **Implementation**
 - Integration
 - Scope Creep
 - Influence
 - Technology
 - New Staff
- **Control**
 - Scope Creep





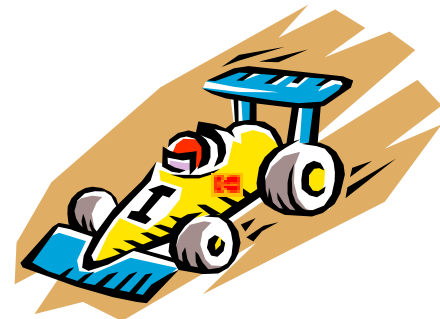
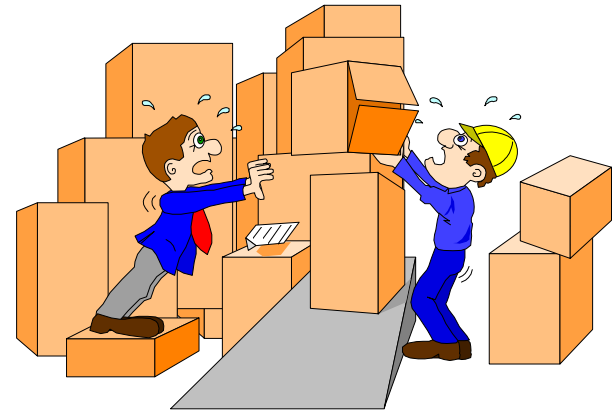
PHASE IMPLEMENTATION

- **Phase Management**

- Over what time ?
- Which Project(s)
- When ?

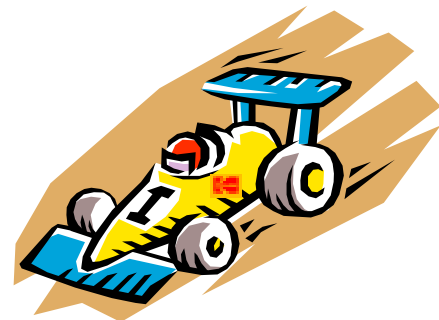
- **Staffing Issues**

- Dedicated Resources
- Contracting
- Project Management
- SME's (Subject Matter Experts)
 - 40 % New processes
 - 60 % Re-engineered processes
 - 0 % Stay as the Same process





**One common system
for a world of needs**



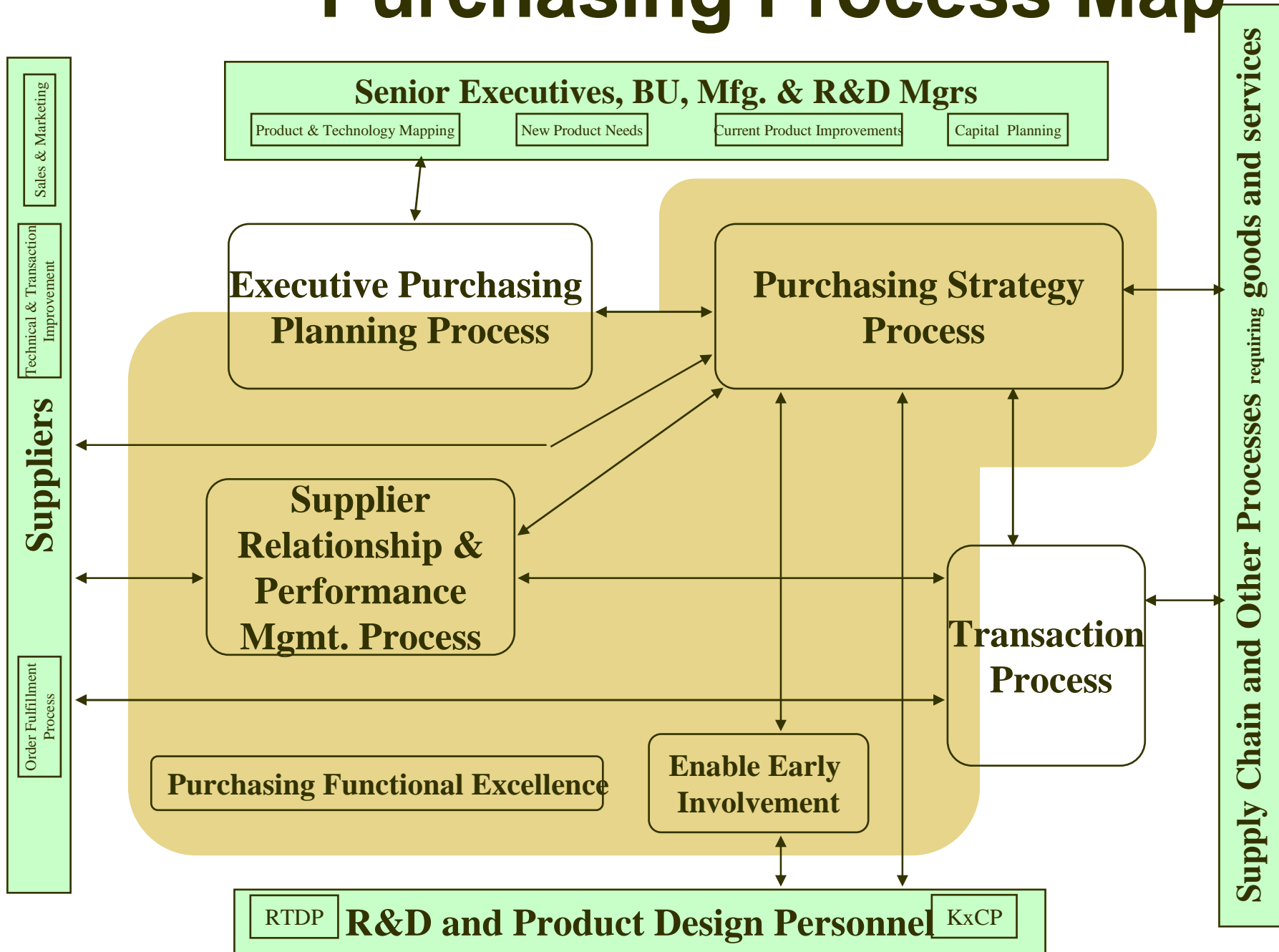


Re-engineering

- **Started in 1993 for Procurement**
- **Created a new direction**
 - **Uniform**
 - **Single Global sub-processes**
 - **Strategic linkages to Organizations**
 - **Key Elements of operation**
 - **Process centered**
 - **Focused Business Processes**
 - **Eliminated non-value added efforts**



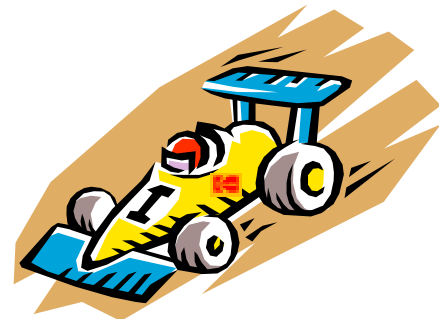
Purchasing Process Map





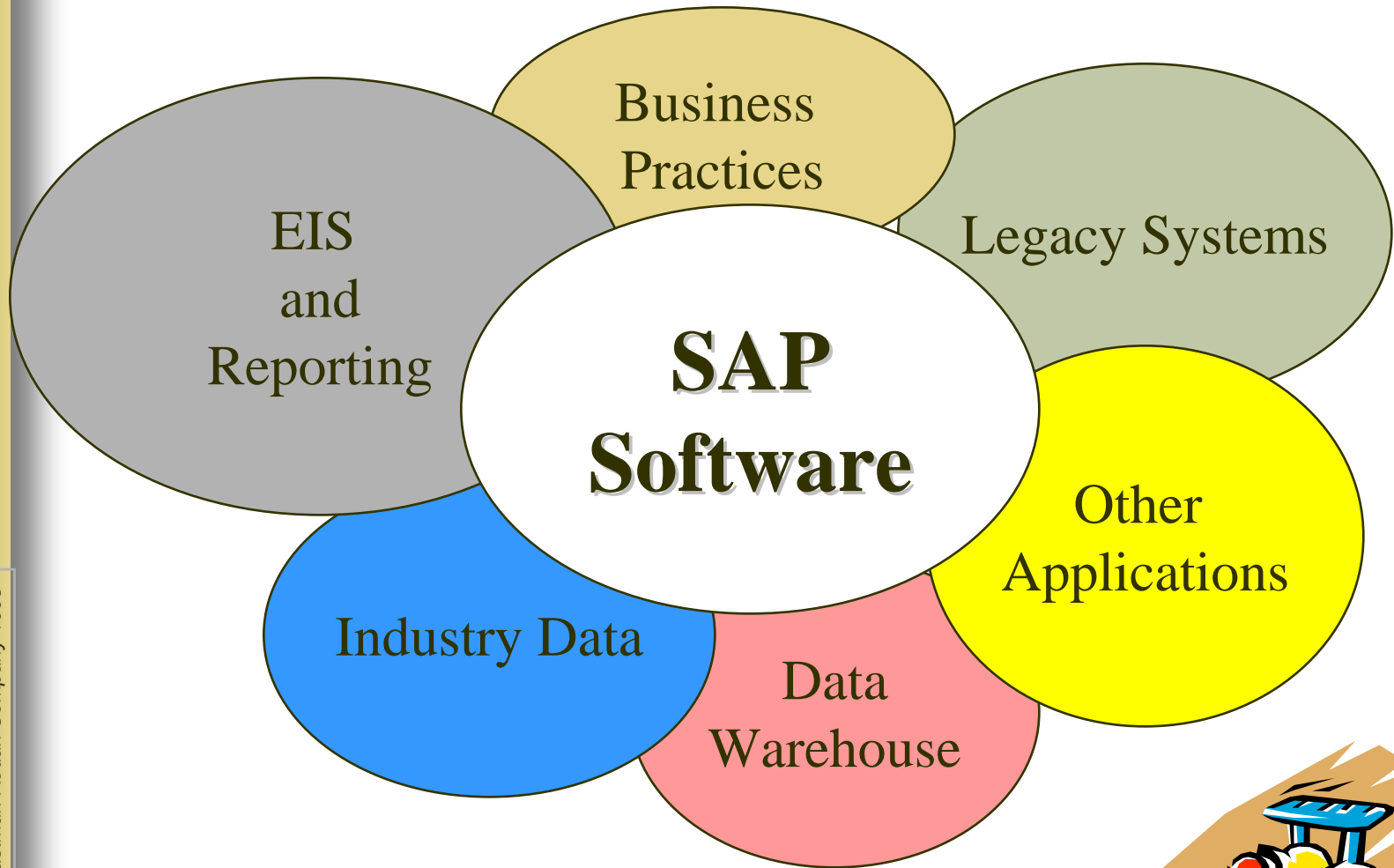
ERP is the Program

- **It is the TOOL to implement the**
 - **Business Re-engineering**
 - Direction and decisions already made
 - Corporate Sponsorship
- **SAP was the software for us**
 - Highly Integrate
 - Single Global Instance
 - Uniform Processes



ERP

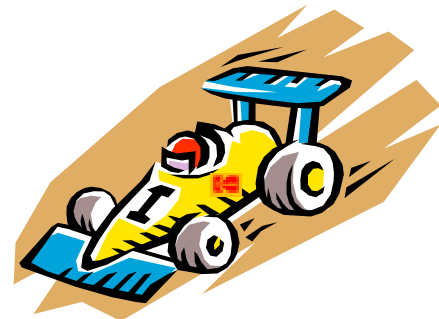
is more than just the software



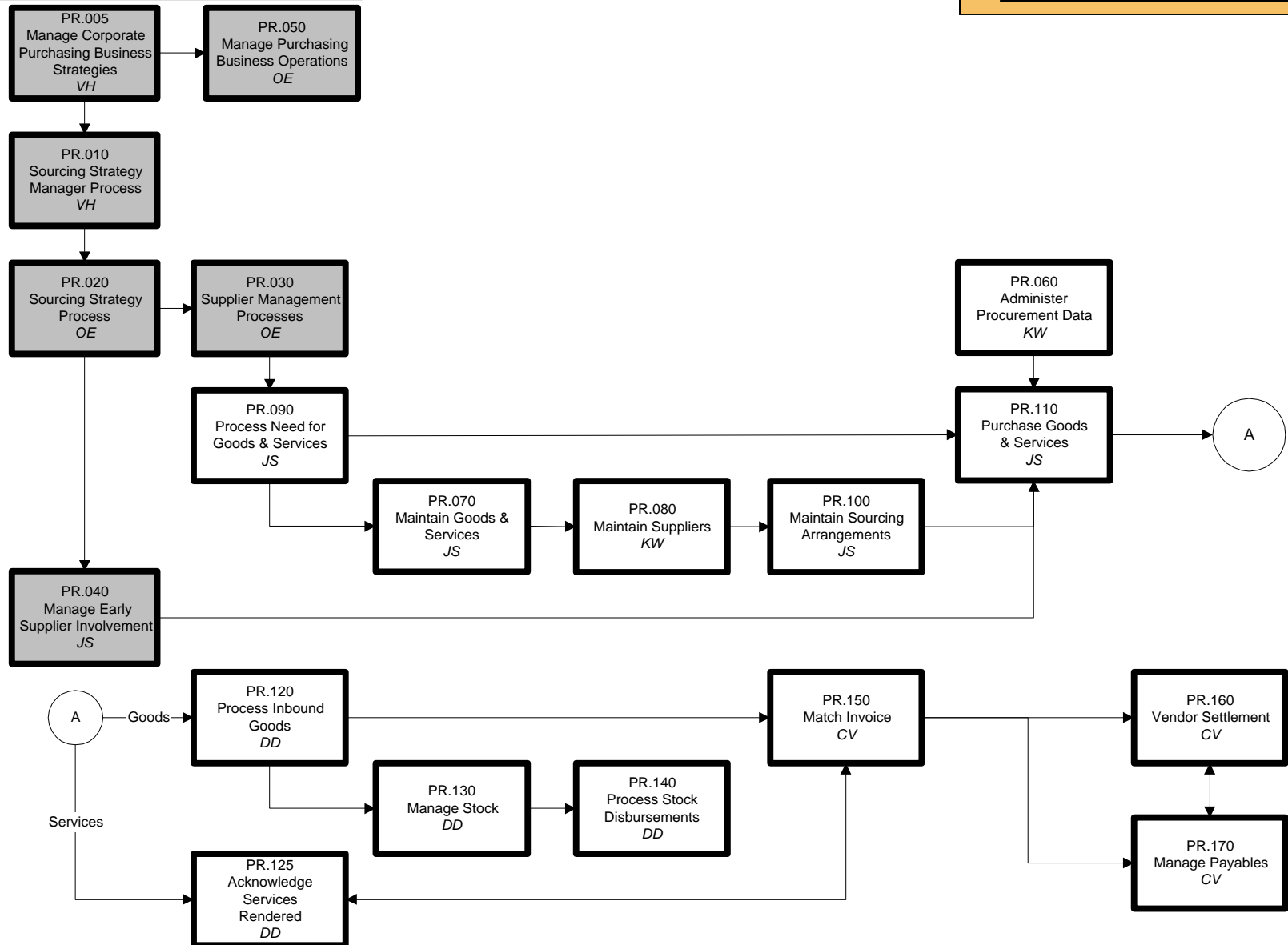


Purchasing Progress

- **12,000 of some 150,000 World Wide Vendors installed**
- **1700 estimated duplicates eliminated**
- **Integrated Global single process solution(s) for Procurement**
 - **No Specialization by Country except for Payables due to Local Laws**



Kodak Foundation Project PR Procure Goods & Services

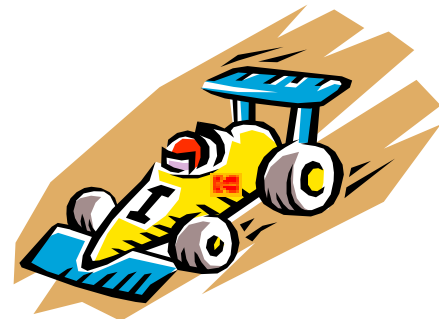


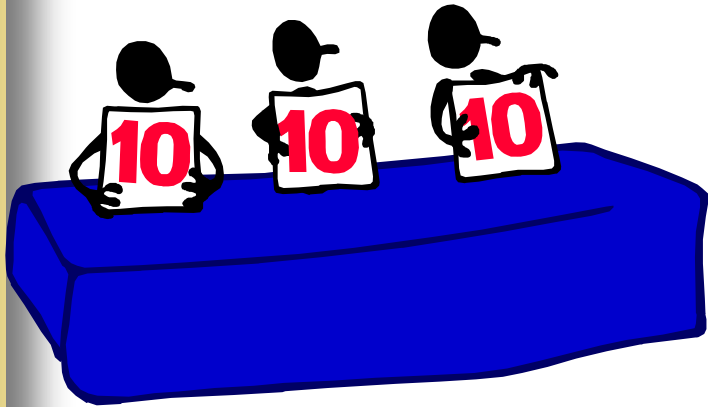
One common system for a world of needs.



Procurement Processes

- **21 Sub-processes**
with
- **65 Integration points**
creating
- **155 Scenarios**
driving
- **267 Test Cases**





Critical Factors

- **Hierarchy**
- **Consolidated Vendor Master**
- **Uniform Processes**
 - Administration
 - Requisitioning
 - Electronic Commerce
- **Data Quality**



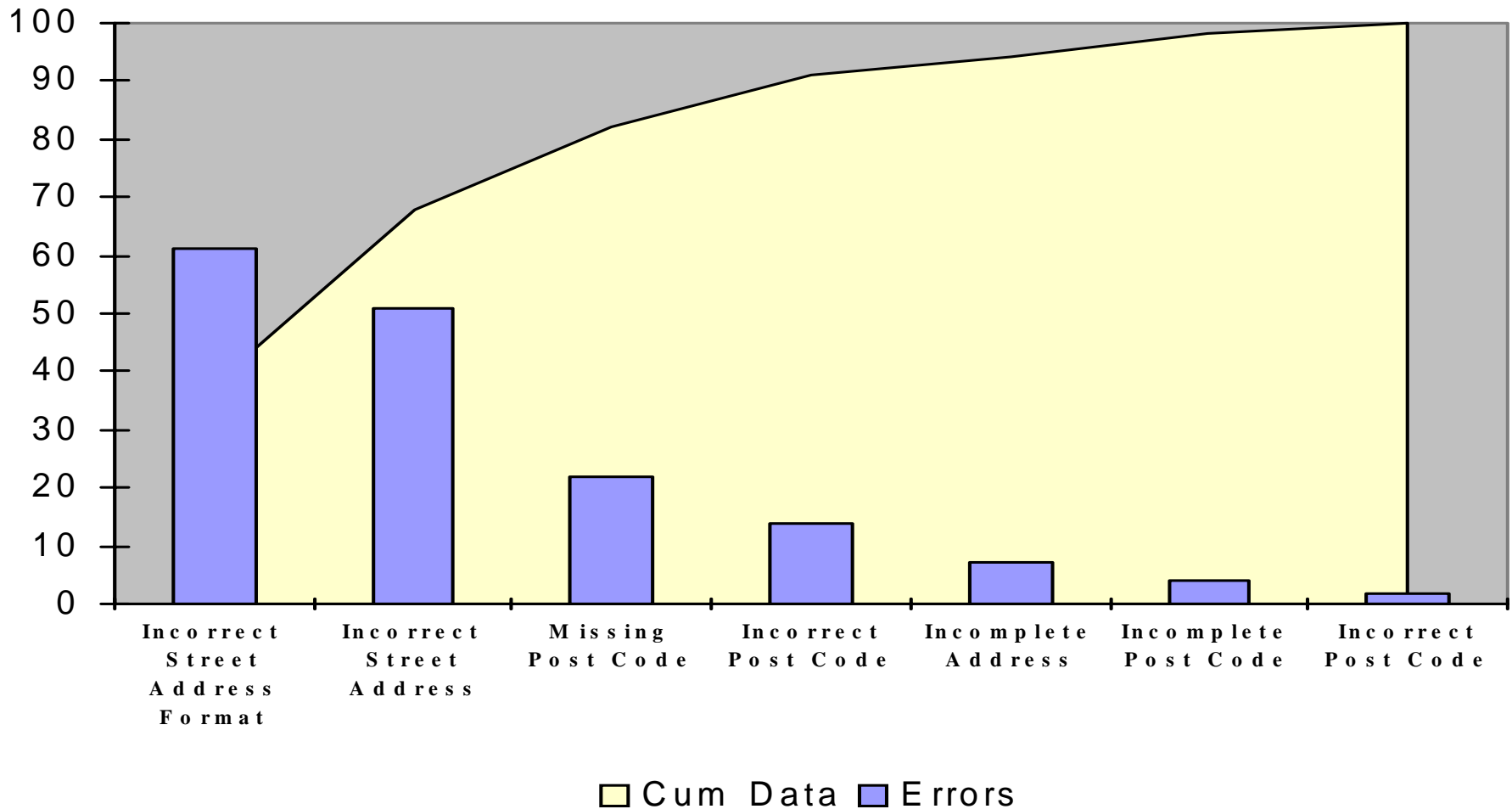


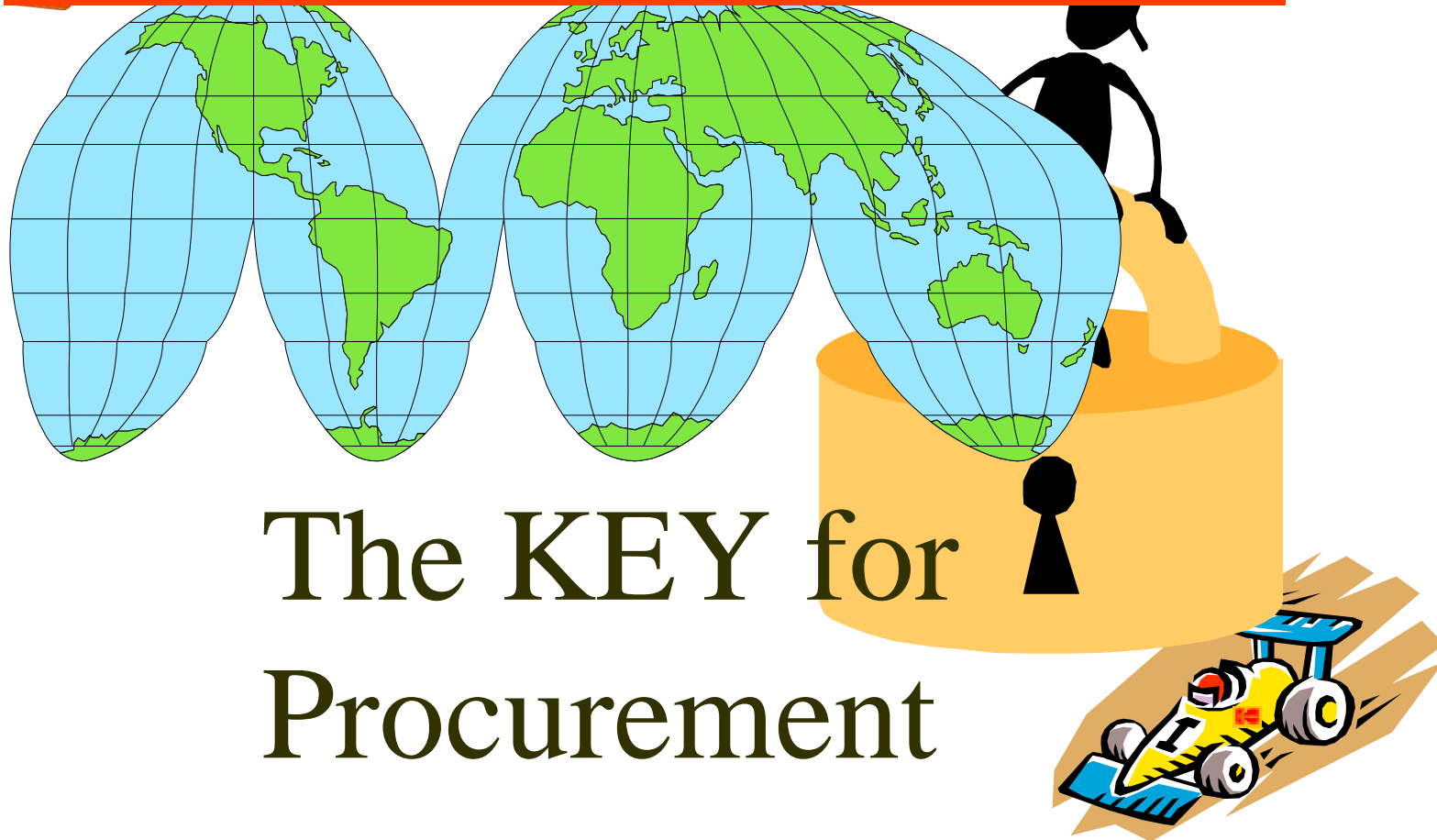
- **DATA QUALITY is FREE**
but
- **It's not a GIFT !**
- **What costs is Poor Data Quality !**



Data Quality Statistics

Pareto - Address Errors

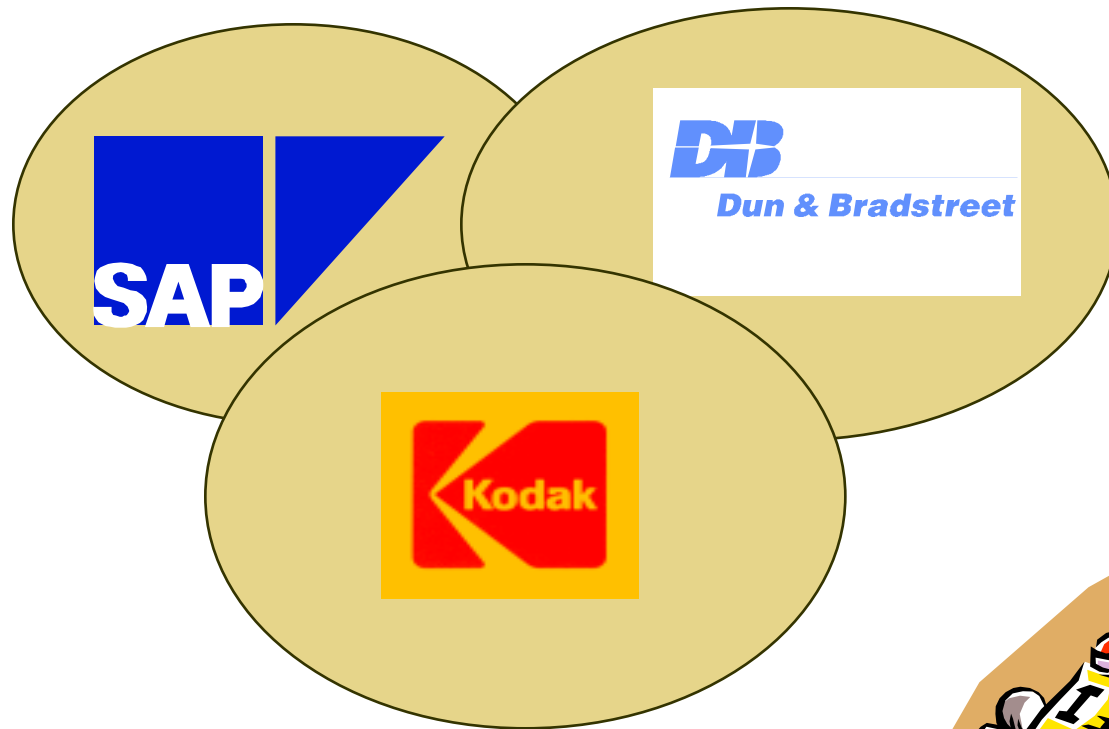




The KEY for Procurement

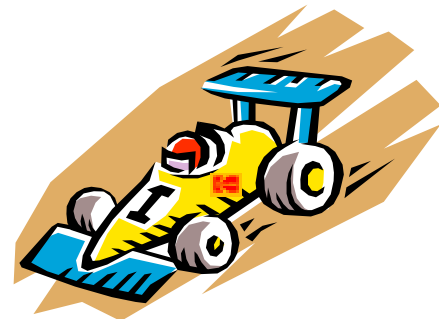
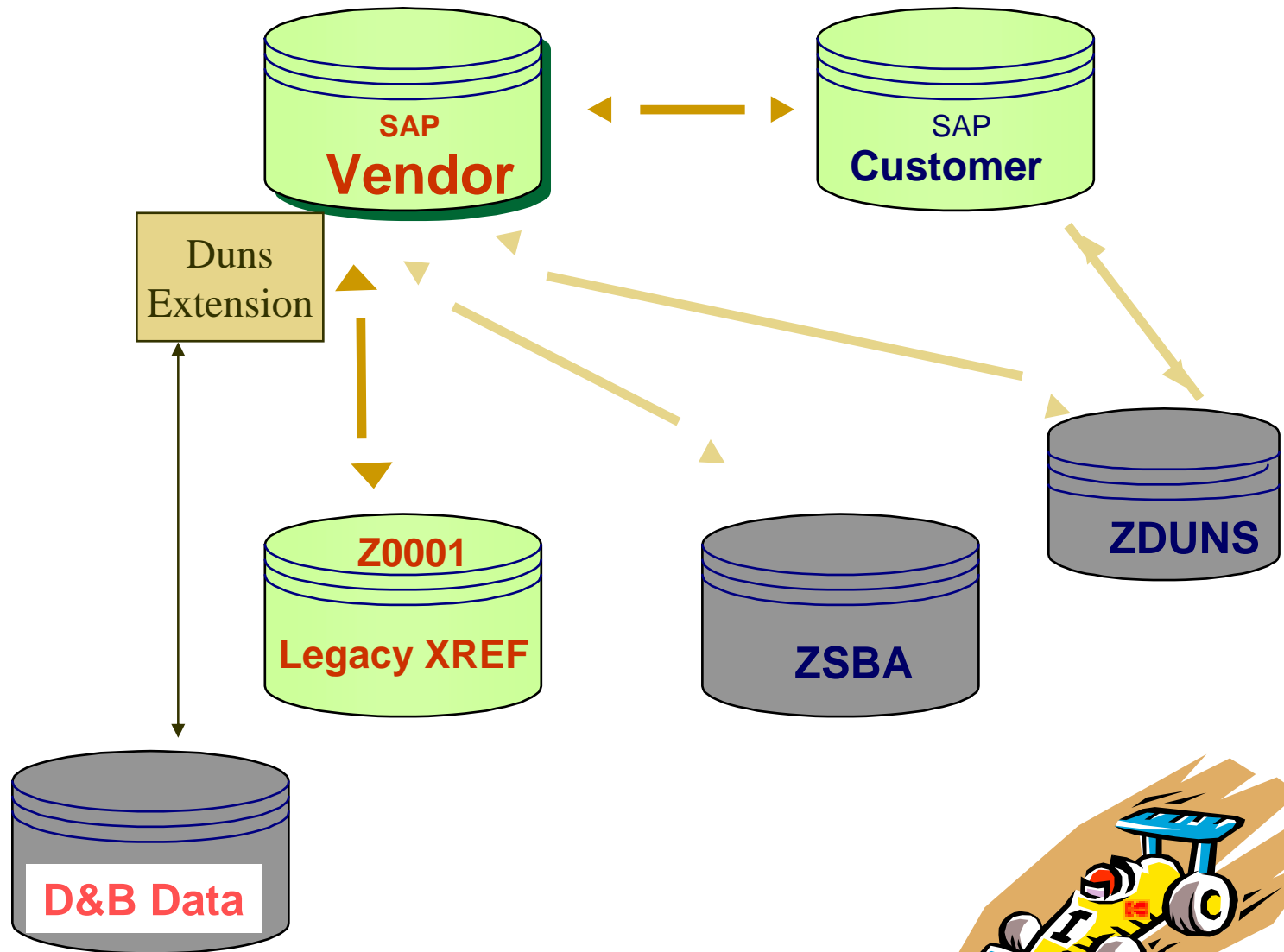
Key Supplier Relationships in Globalization of Vendor Master

Vendor Master Development Relationships





Database Linkages





Account Group Design

- **External Vendors**

– One Time	Int	Z001	10-11,000
– Supplier/Payee	Int	Z010	1-3,000,000
– Payee Only	Int	Z020, Z900	6- 8,000,000

- **Internal Vendors**

– Inter-Company	Int	Z035	10-12,000,000
– Inter-Company	Int	Z035	10-12,000,000
– Systems	Ext	Z030	Sxxxxxxx

- **Employee** Ext Z099 ZZxxzzzzzz

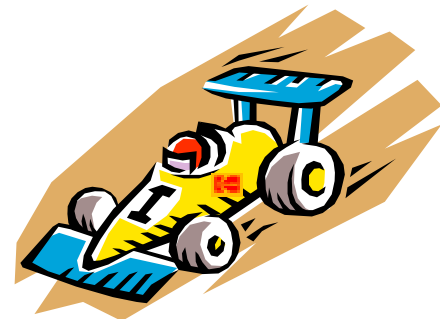
- **Petty Cash** Ext Z995 PCcccxx





Thresholds

- Internal vs External Vendors
- Transactions
 - Purchasing
 - Invoicing
 - Disbursements
- Global Future Direction
 - Vendor Type (*Industry Code*)
 - Material Type
 - *Material Groups*
 - *SPSC Coding*





Meeting the Needs

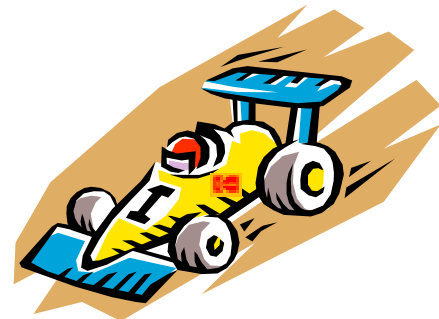
- **Create realistic scrubbing Criteria**
 - Use Match Confidence Rating Levels
 - Address correction
 - Name Alias cleanup
- **Data Append**
 - Credit and Business Data
 - Phone and Fax Information
 - Tax Information
 - Business Style Information
 - Sole Proprietor etc.

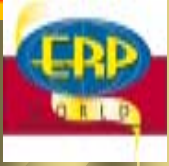




Cost Analysis

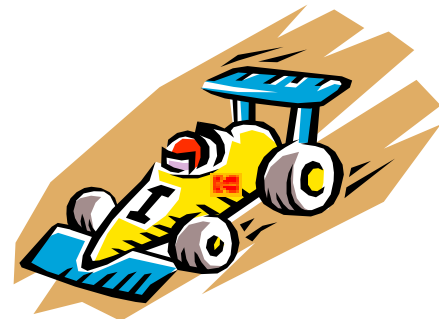
- **Use of Key Supplier Relationships gave us :**
 - Lower Cost to Labor Ratio
 - Higher Accuracy in Data Cleanup
 - Standardization of Formatting
- **Global Contract for Billing Management**
 - Billing hit Conversion Country Accounts
- **Files returned meet the BDC Load Formats**





Cycle Time Reduction

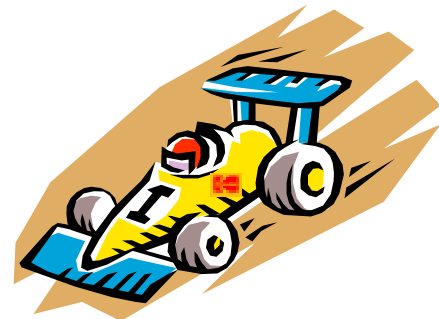
- **Reduce cycle time in preparation and processing Conversions**
 - **Both In-house labor as well as D/B Labor**
 - Global as well as Regional and Local Labor
 - **Use a Standard process of File Mgmt**
- **Allowed to focus on Design not Data**





How did we get there ?

- **Determination of Data Gaps**
 - Identified who had the data
 - Cost to Obtain Data vs self Development
- **Staff Analysis**
 - Who had labor to do this effort
 - Create Staffing Process
- **What to Scrub**
 - Create Threshold Process
 - Establish data Quality Validation Process
 - Test Data vs Production Data Separation





Dun & Bradstreet

Duns Menu Path

Change Vendor: Control Data

Vendor Edit Goto Extras **Information** Environment System Help

☒ **Request D&B Data**
Determine D-U-N-S
Clear D&B Data

Previous screen Next administrat.data...

Vendor D Bradstreet Murray Hill NJ

Account control

Customer Authorization
Trading partner Group key

Tax information

Tax code 1 ☐ Equalizatn tax
Tax code 2 ☐ Sole proprietor
Fiscal address ☐ Tax on sls/pur.
Tax juris. code VAT reg. no. Other

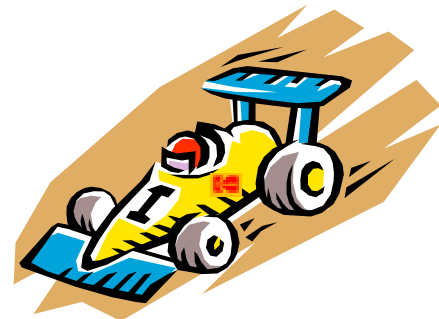
Reference data

Location no. 1 Location no. 2 Check digit
Cred. info no. 62-261-0699 Last ext. review
Industry



Project Attention Areas

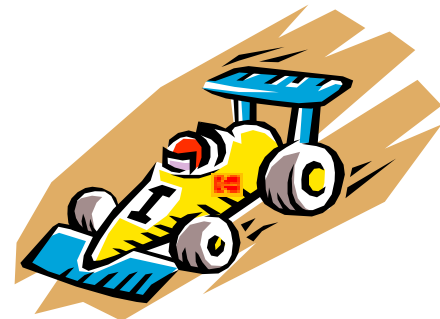
- **List delays and problems since last status update was given**
 - list corrective actions being taken
 - address schedule implications
- **Make sure you understand**
 - issues that are causing delays or impeding progress
 - why problem was not anticipated
 - if customer will want to discuss issue with upper management





Schedule

- **List top high-level dates**
 - Phases and Gates
 - Key Reviews
 - Start-up
 - Stabilization
- **Distribute more detailed schedule if appropriate**
 - Make sure you are familiar with details of schedule so you can answer questions
 - Keep track of late items
 - Constant follow-up is required





Deliveries

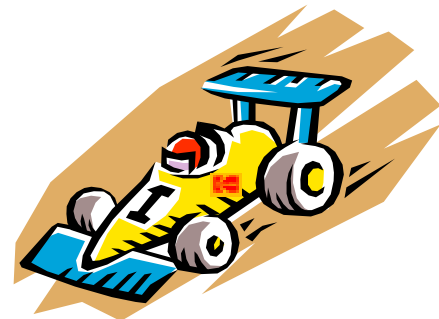
- **List main critical deliverables**
 - Yours to internal client
 - Yours to outside services
 - Outside services to you
 - Other departments to you
- **Understand your confidence rating to each deliverable**
 - Is it denial ?
 - Success implementors





Costs

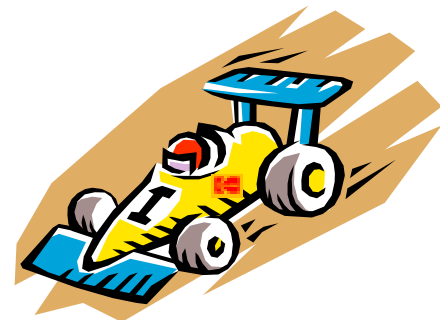
- **List new projections of costs**
 - Include original estimates
 - Understand source of differences in these numbers
 - be ready for questions
- **If there are cost overruns**
 - summarize why
 - list corrective or preventative action
 - set realistic expectations for future expenditures

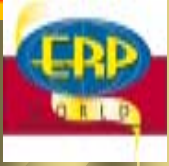




Technology

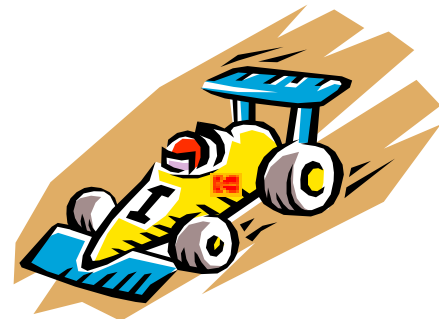
- **List technical problems that have been solved**
- **List outstanding technical issues that need to be solved**
 - Summarize their impact on the project
 - What is needed when ?
- **List any dubious technological dependencies for project**
 - Indicate source of doubt
 - Summarize action being taken or backup plan





Goals for Next Review

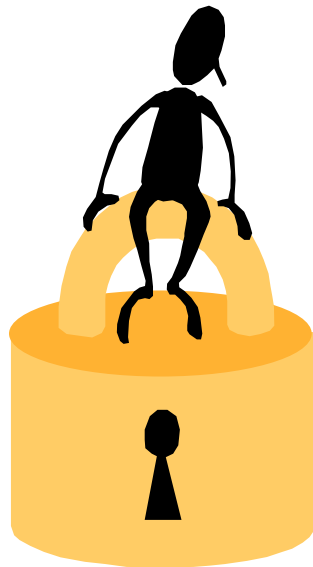
- **Date of Next Status Update**
- **List goals for next review**
 - specific items that will be done
 - issues that will be resolved
- **Make sure anyone involved in project understands action plan**
 - Central Documentation



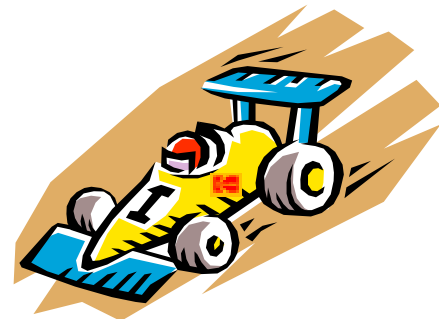


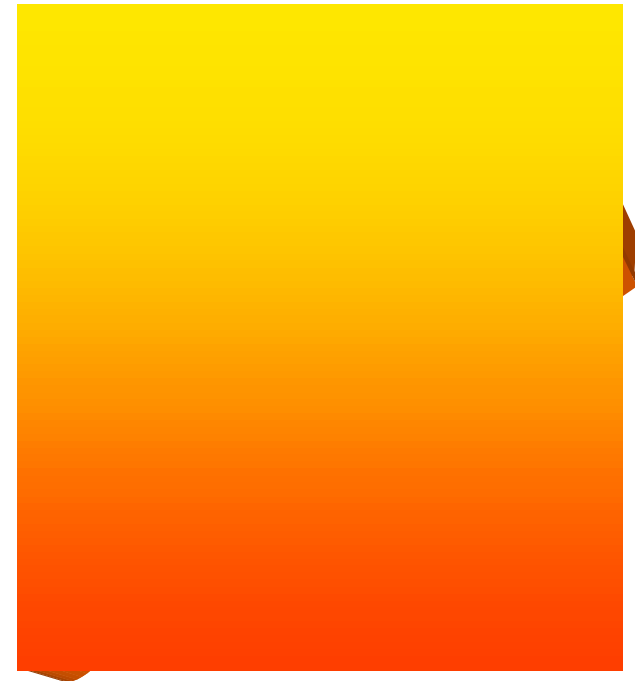
The KEY for PROJECT

PROCUREMENT
PARTNERS



- ***Internal SME'S***
- ***ALLIANCES***
- ***CONSULTANTS***
- ***INDUSTRY GROUPS***
- ***INTERNET***
- ***DATA PROVIDERS***





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