

ClearOrbit Launches Supplier-Owned Inventory Module

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Some of us at AMR Research are fascinated by an application that ClearOrbit has developed to support procurement execution activities with suppliers. The initial deployment at a complex capital equipment manufacturer virtually eliminated supplier claims during the 3-month pilot period and has now been expanded to more than 70 suppliers. The secret is to prevent errors by validating shipments at a box and purchase order line item level as they are packed on the supplier's floor. Printers connected over the Internet automatically generate compliance labels for the inbound parts.

ClearOrbit is now rolling out more modules for this product line, dubbed the Endeavour Series. Added to the initial Procure to Invoice (P2i) module is a new one for Supplier-Owned Inventory (SOI). It provides joint visibility to inventory levels, in-transit quantities, and projected demand. Like P2i, the new module includes scorecards and event management to evaluate the supplier relationship and flag potential problems. Initial sites are using the capability against Oracle- and SAP-based purchasing applications.

AMR Research expects to see more use of the Internet to bring a customer's systems onto a supplier's factory floor. The trend will be especially strong for persistent supplier relationships in tiered supply chains, where the supplier makes a component specifically engineered for a client and supplied over a long contract period. All daily interactions between supplier and Original Equipment Manufacturer (OEM) are fair game, including inventory, quality, and ongoing value engineering. ClearOrbit's Endeavour is another variant on the supplier portal and Supplier Relationship Management (SRM) themes, but one that expands beyond information into execution.