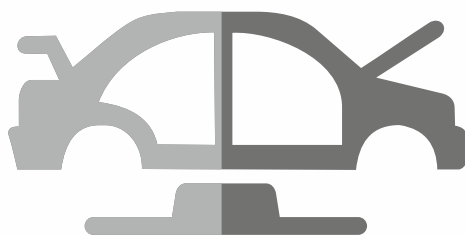
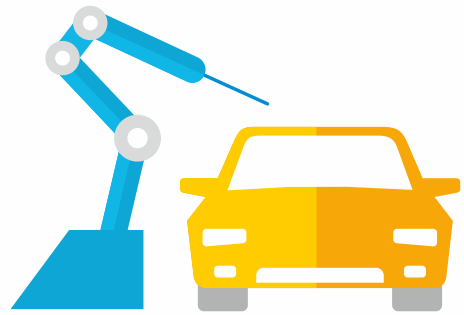


ZYCUSTM

Zycus powers
procurement
performance for
Automotive
industry



Make procurement the key element of business performance

Global market conditions for automotive industry companies could not be more demanding. But if the challenges are numerous, so are the opportunities for procurement and supply management teams to affect business performance in positive ways. Zycus is here to help. We offer a complete Source to Pay suite that is highly attuned to the auto industry's unique requirements and challenges.

“As supply costs increase, a more comprehensive approach to procurement can boost margins and fund growth”

- Bain & Company

Procurement Performance Impact

360-degree spend visibility combined with intelligent sourcing and a smart end to end procure-to-pay process gives auto industry procurement teams enormous power to maintain cost competitiveness, increase profitability, minimize exposure to risk, accelerate cash flow and capture innovation from a global base of suppliers. The solutions can deliver:

- Detailed and comprehensive visibility into both direct and indirect spending
- Timely insight into movements in global commodity prices and cost drivers
- Abilities to aggregate transaction information in ways that model total costs
- Scalability to build and execute competitive bidding events for everything from simple commodities to complex bills of materials, subassemblies and services
- Structured sourcing-decision support and optimization
- Increased compliance for off-catalog requisitions with a guided procurement system and a streamlined process for PO and invoice management



Disciplined and thorough management of suppliers and contracts empowers automotive procurement teams to affect such business performance levers as product quality, safety and reliability, production costs, plant up-time, yield, return on capital, warranty costs and regulatory compliance. Such solutions also enable auto companies to transition away from traditionally adversarial and risk-shifting supply relationships into collaborative supply relationships that can mitigate and remove risk from supply chains. The solutions deliver comprehensive capabilities for:

- Thoroughly vetting and rapidly onboarding new suppliers,
- Structuring performance measurement and management systems, including complex subcontracting relationships,
- Monitoring and managing supplier compliance to both performance specifications and commercial terms in contracts, and
- Collaborating with suppliers on continuous performance improvement.

68%

global executives believe supply chain risk will increase in the coming years
- McKinsey & Co.

47%

of profit potential can be unlocked by streamlining the supply chain and R&D functions
- Accenture

INDUSTRY CHALLENGES

- Global competition among automakers continues to intensify
- Increasing safety and environmental protection requirements, along with rising consumer expectations around product features and customization, are exerting upward pressure on designed-in vehicle costs
- There are new risks to supplychain continuity and pressures to minimize these by improving supply relationships
- Increasing complexities and cost pressure with increase in environmental and safety regulations

1 billions

lost by OEM's in shareholder value due to supply chain disruptions in one year
- Deloitte

68%

of the respondents state that use of data in supply chain/logistics/procurement is currently at no usage, usage desired or in a very early stage
- KPMG Survey

INDUSTRY CHALLENGES

war gnisir & SCCL
material prices

Large volumes of
complex part sourcing
with different BOMs

Risk to supply
chain continuity

Optimizing global
supply chain

PROCUREMENT IMPERATIVES

Understanding true cost
of materials & building
category specific strategy

Sourcing scalability &
complex part modeling

Categorizing suppliers
into strategic groups

Compliant spending across
complex, global and
multilingual corporate
environments

ZYCUS PRODUCT CLUSTER

iCost, iAnalyze,
iSource

iSource

iPerform,
iSupplier,
iContract

eProcurement,
eInvoicing

ZYCUS SOLUTIONS

Spend Analysis

With its patented AI-powered spend-classification engine that learns data idiosyncrasies for entire industries such as automotive, Zycus offers both standard and custom spend taxonomies that can be leveraged to accelerate analysis and drive spend classification accuracy across all categories to 90% and beyond. The complete Zycus Spend Analysis solution (iAnalyze, iCost & iMine) empowers auto companies to:

- Perform powerful multidimensional spend reporting, identify cost-savings opportunities and gain greater control over noncompliant spending
- Identify more opportunities for placing categories such as MRO, services and other fragmented categories under management by procurement
- Track spending in context of global commodity pricing intelligence to create informed category sourcing strategies and formulate independent understanding of total cost drivers in complex subcontract award processes
- Automatically identify and quantify cost-savings opportunities across spend categories (MRO, IT & Professional services etc.), for supply base rationalization, contract compliance improvement, demand aggregation and payment terms rationalization

Procure-to-Pay:

With its Guided Procurement System to ensure best buying decisions every time, Zycus Procure-to-Pay solution (eProcurement, eInvoicing) empowers procurement teams to:

- Manage and ensure compliant spending across complex, global and multilingual corporate environments
- Ensure complete capture of competitive advantages obtained through strategic sourcing, contracting and supplier management processes.

eSourcing

The Zycus e-Sourcing solution is built for speed. It collapses sourcing cycle times to ensure continuous supply feeds to production lines and enables automotive companies to take full advantage of favorable commodity market conditions as they arise and drive suppliers to true market pricing using live e-auctions. Capable of modeling competitive sourcing events for everything from simple commodities to highly complex major subassemblies, the Zycus e-Sourcing solution (iSource & iOptimize) empowers auto companies to:

- Quickly build scalable sourcing events and solicit supplier bids from anywhere in the world
- Engage and easily solicit input from knowledgeable and authoritative spend stakeholders
- Analyze complex inputs from suppliers (including nonprice parameters such as quality etc.) & award business both promptly and optimally

Contract Management

The Zycus Contract Management solution (iContract) minimizes risk exposure in contracts and empowers procurement organizations to:

- Ensure use of proper standard clauses and important SLAs for a wide variety of purchase types (for example, IT outsourcing, automotive parts etc.)
- Match transactions to contracts to assure utilization and compliance to pricing and other performance terms
- Make sure that contracts are never automatically renewed without proper due diligence
- Track supplier service level agreements (SLAs) against contracts to minimize risk in subcontracting activities
- Reduce supply chain risk by providing a centralized repository for all enterprise contracts and obligations

Supplier Management

With its unique blend of supplier information management, performance management and collaborative performance improvement capabilities, the Zycus Supplier Management solution (iSupplier & iPerform) enables procurement to:

- Obtain and maintain accurate and timely information around supplier credentials and certifications in a single structured repository
- Proactively measure supplier performance and risk (financial, operational and reputational)
- Employ KPIs (on time delivery, parts per million etc) customized for automotive supplier categories
- Enhance supplier development programs by comparing supplier performance on SLAs and other contractual obligations

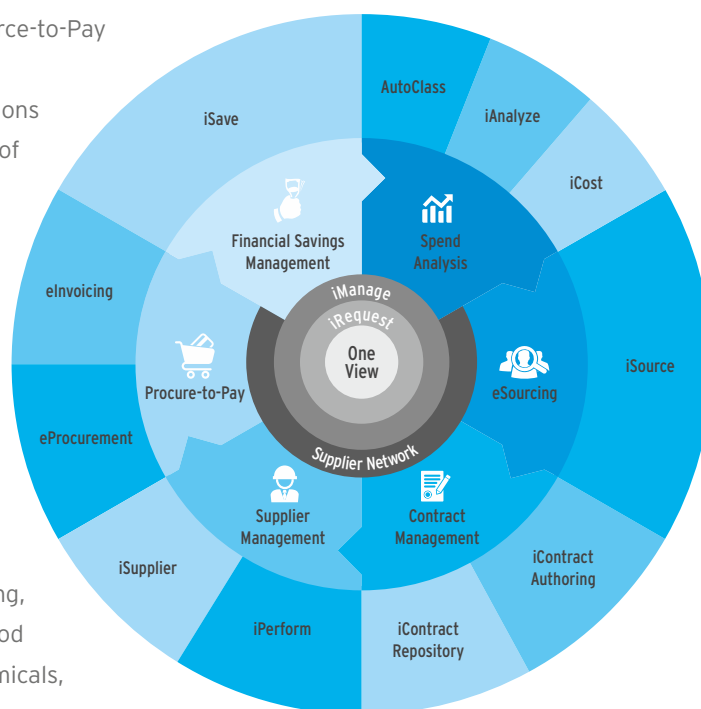
What does this mean for the Automotive industry ?

If the auto industry adopts an integrated Source-to-Pay Suite, it would help them in:

- Developing new high-performance supplier networks to service expanding ranges of products and services
- Extracting greater value, innovation and sharing of investment, product development and other risks from global suppliers
- Sustaining profitability against a tide of nondiscretionary upward cost pressures and low market pricing power for producers
- Positioning their enterprises to capture not only sales growth but also aftermarket opportunities in emerging markets

About Zycus

Zycus is a leading global provider of complete Source-to-Pay suite of procurement performance solutions. Our comprehensive product portfolio includes applications for both the strategic and the operational aspects of procurement - eProcurement, eInvoicing, Spend Analysis, eSourcing, Contract Management, Supplier Management, Financial Savings Management, Project Management & Request Management. Our spirit of innovation and our passion to help procurement create greater business impact are reflected among the hundreds of procurement solution deployments that we have undertaken over the years. We are proud to have as our clients, some of the best-of-breed companies across verticals like Manufacturing, Automotives, Banking and Finance, Oil and Gas, Food Processing, Electronics, Telecommunications, Chemicals, Health and Pharma, Education and more.



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