



E-BOOK

AUTOMATING THE VALUE CHAIN

How Adoption of Advanced Quoting
Management Solutions Drive Efficiency

READ →



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INTRODUCTION

Advanced quoting systems are creating efficiencies at the front of the value chain today throughout multiple business segments and market verticals. These purpose-built quoting solutions, such as SupplyFrame's QuoteWin, are taking the most complex product costing challenges into one, easy-to-use, single platform and they help to standardize processes for electronic contract manufacturers (ECM) such as Spartronics. For Spartronics, standardization is enterprise wide, allowing for multiple locations to participate in pricing exercises, offering enterprise-wide globally derived pricing, and reducing our costs to serve. The ability to cost a product, and streamline the entire quote effort helps drive competitive material costs, reduced quote time, and brings value to Spartronics and, more importantly, our end customers by providing competitive and accurate quotes at velocity.

Today, ECM companies are increasingly focused on experimentation and adoption of new innovations and technologies in order to battle the supply chain crisis and in support of driving resilience. The need for global integration, flexibility, and a product that is easy to use is undoubtedly more prevalent than ever. The advantages of utilizing advanced quoting management solutions greatly outweighs traditional methods.

SECURITY AND STANDARDIZATION

The integrity of any business is increasingly at risk due to the increased ransomware and other cyber attacks taking place in today's digital world. By requiring cyber defense and disaster recovery processes and standards, organizationally the need for security and compliance within a quoting tool was a must for Spartronics. QuoteWin quickly rose to the top as a quoting tool due to the security measurements they had in place.

With enabled compliance, this allowed Spartronics to feel confident with their cybersecurity controls around both their data and customer data. In addition, the ability to integrate Spartronics' security tools and protocols including ITAR, EAR, and Proprietary Information Protection requirements. QuoteWin's security starts with CoreSite physical and standby servers that are ITAR compliant, PCI DSS compliant, ISO 27001 certified, and SOC1 and SOC2 audited. With multiple levels of biometric and physical locks, the facilities are monitored 24/7 by both on-site security staff and global operations staff, who apply fixes for all applicable, critical level CVE. Additional protections include a triple redundancy for backups, secure HTTP and SSL for data

transmission, and active traffic monitoring to segment out malicious traffic, ensuring quality of service for regular users.

As an ECM for the aerospace and defense market, ITAR compliance is a requirement and the need for operations standardization is a necessity. Another advantage of a quoting tool is the ability to select onshore and offshore suppliers and remain compliant. In addition, ITAR restricts prints/documents to be sent on an unsecured email or FTP site. Whereas, in QuoteWin for example, the quoting automation tool allows easy and secure document transfers to ITAR approved and qualified suppliers directly within the software. In all instances, suppliers are only given visibility into the components they will quote, keeping all other raw material unknown.

COMPETITIVE MATERIAL COSTS

Advanced automation quoting tools have internal, smart learning systems that analyze data points to drive competitive material costs for the ECM and a cost savings for the end customer. With the ability to have multiple supplier line cards configured to accommodate customer requests, market needs, or combining requirements across multiple business segments, these quoting tools drive accuracy and efficiency across an organization's supply chain.

“Our supply chain has adopted the term ‘Primacy’ during the design and roll out of this tool, and associated processes. We now operate a global integrated supply chain with a competitive advantage through our quoting capabilities either by market segments, customer, or by regions.”

MICHAEL MURPHY,
Vice President of Supply Chain at Spartronics





One advantage within the tool, is the customization of line cards linked to only specific suppliers that supply to a particular or certain vertical market. Line cards are easily configurable and uploaded in order to manage which suppliers receive data to quote.

Finally, setting up subgroups within market verticals or regions allows Spartronics to easily direct the quote to a customer's specific approved manufacturer list.

STREAMLINED COST

Creating contract pricing and access to historic pricing is a substantial advantage when using a software such as QuoteWin. It allows an ECM company, such as Spartronics, to streamline costs, stay competitive, and ultimately drive costs down for its customers. By combining usage and spend across customers and/or facilities of like components, Spartronics now has the data reporting to lead negotiations with suppliers for cost reductions and terms, and can be forward-looking for resilience in planning/delivery. Generally, that also provides support in planning for future quote activity/volumes. These tools minimize workload for Spartronics and for our suppliers.

EFFICIENCY IN QUOTING AND MEETING CUSTOMER EXPECTATIONS

Having an advanced quoting system keeps all the work for a supply chain team in one place, providing a single repository for our data. For example, QuoteWin builds one master database that contains two databases:

1. Supplier maintenance database
2. Line cards with supplier links database

The supplier maintenance database contains all the ECM's chosen suppliers down to the individual contacts information. This database allows for multiple supplier maintenance files, allowing cross-functional usage across multiple locations and the ability to directly quote from any facility to the supplier's point of contact (POC) where the components would be purchased.



The second database combines line cards with supplier links to the supplier's manufacturers which can be generated for various markets or for customer specific requirements. These lines cards are initially set up and uploaded to manage which supplier/s receive the customer's bill of material to quote. To drive accuracy for future quote submissions, the tool consistently evaluates usage trends, BOMs, and asset risks by learning as it goes. In many cases, this includes consolidating usage of like components across assemblies, monitoring supplier activity during quoting, consolidation of suppliers, and evaluating suppliers based on quote time, cycle times, and internal performance ratings. This type of evaluation allows the ECM to drive productivity of quoting to the customer's advantage, meeting and in many cases exceeding customer's service level agreements (SLAs).

Lastly, viewing document history within the tool, allows users the ability to reuse and resend quotes to suppliers helps to streamline the process for our procurement teams. In some cases, minimal changes are required, such as volume or time restrictions, which allow Spartronics to quickly push requests to suppliers.

SUPPLIER INPUT AND TRANSPARENCY

By monitoring suppliers during the entire quote process, the advanced quoting system enables a transparent picture of quote status and facilitates managing customer expectations. Stages include:

- Which suppliers have viewed or have not viewed the quote
- Who has completed the quote
- How many items have been unquoted and why:
 - Component is obsolete
 - Unable to identify
 - Long lead times

Consistent status updates drive a proactive culture to ensure customer SLAs are met. The supply chain now has full insight and can quickly manage suppliers or review supplier comments ahead of the quote due date. Consequently, the ability to redirect a component to a different supplier or request additional information from customers helps keep the quoting process moving efficiently.



CONCLUSION

By leveraging an advanced automated quoting system, Spartronics now can provide added financial value to their customers, a better customer experience, and increase internal operational efficiency along the value chain. Technology updates are becoming smarter, more accurate, and shifting away from the days of spreadsheets which can pose as risks. The drive to combine and automate transactional tasks, operate with reduced optimal resources, and net the leverage from standardized processes is driving the smart adoption of change technology and continuous improvements across all of Spartronics.



MOVING FORWARD

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ABOUT SPARTRONICS

Spartronics provides comprehensive contract manufacturing services, ranging from printed circuit board assembly (PCBA) and subsystem integration to full-box build (high-level assemblies).

Additional services include engineering support such as manufacturing testing, supply chain management, sustaining engineering, and a suite of aftermarket services to support the full OEM product lifecycle. With over 1,700 dedicated employees, and manufacturing resources strategically located worldwide, our manufacturing network spans the United States, Mexico and Vietnam. Our engineering support is based in the United States and is available for product development, manufacturing readiness, and ramp to production. For more information, visit www.spartronics.com.