

Joyson Safety Systems builds a global supplier management and sourcing platform with JAGGAER

Seatbelt Buckle | Joyson Safety Systems © 2020

Making Purchasing a Great Place to Work

The Company

Joyson Safety Systems is a global leader in mobility safety, providing safety-critical components, systems and technology to automotive and non-automotive markets. Joyson Safety Systems is headquartered in Auburn Hills, Michigan, USA, with a global network of approximately 50,000 employees at 71 locations in 25 countries, who generate annual revenues of approximately \$4.8 billion in 2020. It is a subsidiary of Ningbo Joyson Electronic Corp. The company's mission

is to provide safety systems solutions of the highest quality and reliability that allow its customers in the automotive sector the design freedom and confidence to drive the next generation in mobility.

Joyson Safety Systems was founded in 2018 through the merger of two global automotive suppliers, creating one of the world's largest manufacturers of automotive safety, including airbags, steering wheels, seat belts and active and passive safety systems.

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Global Project Purchasing &
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"In practical terms, the merger was not between two companies but five," according to Velat Özkilinc, who is Executive Vice President, Chief Purchasing Officer at Joyson Safety Systems (JSS). The reason is that one company had four separate regional operations in Japan, Europe, China and America, with their own processes and organizational structures. "There were no common IT systems. In fact, we inherited 13 separate ERP systems alone across the merged companies," Velat states.



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The Goal

The clear target was to sweep away this heterogeneity and standardize across the JSS group. The various ERP systems are gradually being replaced as the company standardizes on SAP S/4 HANA, a process that is scheduled to be completed in late 2023. “We need the IT infrastructure to speak one common language across the entire group to fulfill the corporate vision of “One Joyson”. The global ERP system SAP S/4 HANA is an important component of that vision, as are integrated solutions that we are deploying in purchasing such as JAGGAER and riskmethods,” says Halidu Gibrilla, who is Manager and Process Owner, SAP S/4 HANA for Procurement & Supplier Risk Management, within the Global Purchasing Excellence team.

The professionalization of the purchasing organization stood high on this agenda. “Today, we have a globally harmonized purchasing function and a set of standard processes. JAGGAER is an important part

of our strategy, which is to transform purchasing from an operationally focused organization to one that is strategically focused,” Velat says. “And to achieve this, we need data quality and transparency at both the global and regional level. Without this transparency, you can have the best strategy in the world on paper, but when it comes to executing that strategy, it is impossible.”

Dennis Meier, who is Director, Global Project Purchasing & Purchasing Excellence at JSS, explains further: “Previously we were working with very basic tools such as Excel, PowerPoint and miscellaneous non-standard templates. And with the merger, we had acquired roughly 3,500 suppliers in direct purchasing alone. Consequently, people were spending about 80% of their time doing manual work and chasing after information about suppliers, and only 20% actually making decisions on sourcing and purchasing.” The aim is first to reverse this ratio on the path to world-class purchasing within five years.

Velat puts this in the context of the challenges faced by many companies in the automotive industry. “To be more competitive, to deliver even better value to our customers, we must be closer to our suppliers, exchanging the right information with them just in time. This is of tremendous help to our suppliers in supporting us. Close and transparent collaboration through the supply chain is a must,” he says.

The Solution

JSS opted for JAGGAER ONE as its procurement solution in 2019, not long after Velat assembled the team. “The main reason for our choice was the speed of implementation that is possible with

JAGGAER,” Velat explains. “Given that we had so many other technology issues to deal with, this was essential. Other factors in the decision were that JAGGAER provides a more comprehensive set of modules than anyone else on the market, and everything is available through a self-explanatory dashboard.”

Halidu Gibrilla adds another compelling reason. “JAGGAER offers a standard native interface with SAP S/4 HANA, which means there is synergy on both sides. In terms of minimizing workload, it was a very good choice.” He says that the collaboration between JSS, SAP and JAGGAER has been a key success factor.

Implementation of JAGGAER covered a number of phases, starting with a rapid Agile implementation. “We started scoping for the Supplier Management module in April 2020, right in the thick of the Covid-19 pandemic,

which was an additional challenge on top of all the changes within the organization,” recalls Elandra Uttermohlen, Senior Project Manager at Joyson Safety Systems, who led the implementation and designed training for key users. “However, the JAGGAER system is fairly intuitive to use, which was a help.” Supplier Management went live with supplier onboarding in September 2020.

The majority of strategic suppliers were onboarded after a few months. “Getting suppliers into the system drew out the process longer than we would have wished, but the effort was worthwhile to increase user acceptance,” according to Dennis. And this is very important to the Global Purchasing & Purchasing Excellence team: they want to convince users about the benefits of JAGGAER to create RFQs, rather than simply mandating its use. JSS has around 400 purchasers and supplier quality managers (for both direct and



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indirect materials) across the organization, and they will all have access to JAGGAER.

Work then started on the JAGGAER Sourcing module, which went live with automated RFQ creation on July 1, 2021, after extensive testing. The initial focus is on direct materials, with the first RFQ issued for airbag components. "In the automotive sector, direct purchasing is highly structured to address compliance issues and prepare us for audits," Elandra explains.

Success

How does JSS define success in this journey? Velat's reply to this question is clear and without hesitation: "What I want to achieve, and what I regard as world class, is having a purchasing team that enjoys coming to work!" He believes that this is fundamental to building closer relationships with suppliers and delivering more value to customers.

Dennis Meier agrees: "When we have an efficient IT set-up in purchasing, we can spend more time on our people, on talent

development, and in this way, they will be able to spend more time on strategic thinking and strategic activities that are rewarding for them as well as the company and our stakeholders. They will feel more appreciated."

The JAGGAER roadmap for implementing more modules will play an important part in this. The eProcurement module goes live by the end of the year following extensive testing with SAP to create purchase orders. The Quality Management module will go live in the course of 2022. "The goal is to standardize on JAGGAER for all sourcing and procurement processes and functionality," says Velat. "In the not-too-distant future, team members will come in, switch on their laptops, and find everything they need through the JAGGAER dashboard. One solution to serve all their needs."

Benefits for Joyson Safety Systems:

- Standardization through a uniform IT system in global purchasing
- Integration with SAP S/4 HANA to standardize processes
- Intuitive dashboard makes work in purchasing more enjoyable
- More time to focus on strategic rather than routine and tactical tasks



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Velat Özkilinc,
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