



eBusiness @ The Dow Chemical Company

"Supplier integration with efficient processes"

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Dow's Overall eBusiness Philosophy

- **Process improvements via automation:**
 - Business process efficiency
 - Data quality
 - Reduction in human error
- **Standardization across trading partner connectivity channels:**
 - Customers / Distributors
 - Vendors / Suppliers
 - 3rd Party Logistics Providers
 - » Warehouses, Carriers, etc
- **Simplify our internal IT infrastructure:**
 - Reduce number of external connections to trading partners



eProcurement at Dow

- **Dow started with Raw Material and Packaging (R&MP) supply:**
 - Approximately 60,000 POs in 2007
- **Extension of overall eBusiness Philosophy to Procurement**
 - Reduce procurement costs
 - Eliminate complexity in the procurement process
 - Improve data quality
- **3 critical process steps:**
 - Outbound Orders: Purchase Order, PO Change, and PO Response
 - Inbound Logistics: Ship Notice
 - Accounts Payable: Invoice
- **Results:**
 - Improved business process efficiency
 - Decreased number of data errors
 - Reduced human effort



Extending eProcurement to MRO

- Leverage success in RM&P to drive additional value:
 - Reduce total cost ownership of IT systems
 - » One robust connection for R&MP and MRO
 - Aggregate procurement volume to achieve economies of scale
 - No disruptions of operations during transition
 - Support the supplier's preferred method of connectivity:
 - » EDI
 - » XML
 - » Web portal (Elemica Seller Direct)





MRO Project Execution

- **Phase 1 Project Results:**
 - > 150 MRO suppliers
 - < 6 months project duration
 - Migrated off other hub
 - Reduced errors
 - Eliminated internal EDI mappings
- **Activities included:**
 - Outbound change management communications
 - Supplier's contract for Elemica services
 - Elemica mapping of supplier messages
 - End-to-end testing
 - 4 XML Messages:
 - » Order Create, Order Change, Order Response, Ship Notice
 - » MRO Invoice in later phase

Overall Results

- 500% improvement in transaction volume over the previous year
- Decision to move to subsequent phases of the rollout
- Dow is the leader in procurement among all Elemica members
- Dow won *Managing Automation's PM100 Award*
 - for Innovative Business Transformation
 - Elemica chosen as a Technology Partner award recipient
 - Award ceremony was held in June, 2009

**Business Transformation + Advanced Technology
= Progressive Manufacturing**

Is Your Company Progressive?

