

ACQUISITIONS BROUGHT BY vSRM

- Having communicating with its suppliers by fax In the period before vSRM; Otokar decided to give up this both time-consuming and prone to error method and began to work with vSRM, and minimized the failure rate.
- Otokar used to experience serious losses of time in the process of entering the received raw materials to the system, and vSRM accelerated these operations.
- With its 12 separate modules, vSRM provided Otokar the opportunity to use the module it required, and thus presented a flexible platform.
- vSRM provided significant contributions to Otokar for planning a sound supply chain. As it enabled communicating coherent and correct information, it was also influential in Otokar's obtaining maximum efficiency from the ERP software.
- Having realized more than 80 percent of the supply volume via vSRM, Otokar provided dramatic time and manpower savings compared to the past.
- With vSRM, evaluation of the performances of suppliers via the numerical data began. Having obtained a measurable system, Otokar succeeded in increasing its suppliers' service quality.
- With low total ownership and sustainability cost, vSRM provided Otokar with speed and productivity increase.

VSRM IN FIGURES - OTOKAR

- Number of suppliers who use vSRM: 121 (More than 80% of Otokar's total business volume)
- Otokar's daily supply capacity: 1200-1500 items
- Number of companies who use e-dispatch note: 55 (The companies which supply maximum goods to Otokar)

Otokar has been trusting vSRM for 11 years for a fast and quality supply network

“Since we began to use vSRM platform, we have witnessed to a serious efficiency increase in our organization's supply chain management. With continuously increasing number of members and expanding use, the basic factor behind vSRM's success is the user's satisfaction.

Can SEVİNÇ

Information Technologies Manager / Otokar



From left to right: İsmail YILDIRIM-Business Development Manager / ITG, M. Cenkmen KEÇECİ-Planning Manager / Otokar, Can SEVİNÇ-Information Technologies Manager / Otokar, Celil GERMEYAN-General Manager / ITG, Dursun Kurt-Assistant General Manager / ITG,

Otokar among automotive sector giants has been managing its supply chain with ITG's vSRM (virtual Supplier Relationship Management) for 11 years. At the point reached today, the authorities of the organization which covers more than 80% of the supply volume through vSRM on web, indicate that ITG's this special solution includes a very correct approach for the automotive sector.



M. Cenkmen KEÇECİ
Planning Manager / Otokar

“vSRM undertook an important role in increasing the quality of the supply process. Previously, a report related with quality was faxed to the supplier company, then telephone was used to make sure that it reached the desk of the person there. Together with vSRM, this inefficient approach was given up. Now, the quality report is directly uploaded on vSRM, and it is reflected on the related person's screen. Due to the mentioned facilities and efficiency properties, supplier companies request using vSRM as soon as they begin working with us.”

SEARCH FOR AN EFFICIENT SUPPLY PLATFORM

Having a healthy and fast supply chain bears utmost importance for both main companies and the supplier industry companies which have their own supply chain in the automotive industry. Being among the leading organizations of the industry, Otokar, exhibits an exemplary stand with its approach towards the issue years ago. With day by day increasing number of suppliers, years ago Otokar began to look for ways to solve this problem. Can Sevinç, Otokar's Information Technologies Manager, expresses that days and their search for a solution as follows: “In mid-1990's, we used to have meetings on how we could build a data transfer system between the suppliers and the original equipment manufacturers. Various software companies with solution recommendations were also attending these meetings. We discussed on whether to perform this via web or another system, and many suggestions were presented to us. Some of these suggestions were not completely satisfying what we wanted, and some had high costs. These were the applications that required serious investments for both the original equipment manufacturer and the supplier for that period. As the suppliers' data flow is a critical element that directly influences the quality and performance of production, we used to act very sensitive on the system that we would choose. We were building our connection with hundreds of suppliers by fax or telephone similar to other companies. It was both time consuming, exhausting and prone to errors. Besides, as it required entering the document into the system first, we were unable to include the raw materials into the production process as soon as they arrived. And it was also causing to a serious loss of time.”

THE PROCESS IS GETTING MORE DIFFICULT AS THE PRODUCT ITEMS INCREASE

Cenkmen Keçeci, another witness of this process and who is currently the Planning Manager of Otokar expresses that they undersigned successful projects since 1994, and how much ITG was influential in solving this problem: “In that period, the increase experienced in the number of supplier companies and the number of raw materials that we bought, or the number of semi-finished materials also caused to an increase in the number of faxes we sent every day. Therefore, considering that it might facilitate the flow, we considered using a fax server. ITG came to us with the recommendation of making all these operations via a web based system. Giving the decision in that period was difficult as we did not know how many of our suppliers were using internet, and among the users, how many of them had healthy connections. And so, we started with a preliminary study. We issued a questionnaire including the basic questions on the relations of our supplier companies with internet. Then we say that, the infrastructure of the companies with high commercial volume for us was actually ready for such a transfer.”

So, ITG and Otokar decided to try this idea with a pilot application. Five supplier companies with high commercial volume and suitable infrastructure for this system were visited by Otokar and authorized people from ITG one by one, and the suppliers' opinions were taken. After obtaining a positive result from the pilot application,

Otokar decided to implement vSRM (virtual Supply Relationship Management). According to Keçeci the main reason behind the success of the project was ITG's ability to most correctly identify what both Otokar and its supplier required.

vSRM CREATED A REVOLUTION IN OTOKAR'S SUPPLY CHAIN

Otokar Information Technologies Manager Can Sevinç, who started using vSRM in 1999 tells the following on the realization of vSRM in Otokar, which he defines as “The system that removes all problems related with the supply chain”: “First of all, I have to mention that Otokar has been using this system that contains the required solutions for exactly 11 years and it is very pleased for using it. I can say that our feedbacks were also guiding during the design phase as we were the first company to use vSRM in the automotive industry. Before everything else, vSRM is a very important service in our opinion.”

Cenkmen Keçeci also indicates that as it is a platform shape by considering the requirements of Otokar, vSRM has started being used by many main industry companies in the automotive industry in a short time, and adds: “ITG has developed preliminary application in a very short time. Then we invited our suppliers to Otokar one by one, and explained on the screen what kind of a system we wished to realize and how we all would benefit from this system. After a short time of eight or ten days, 50 of our suppliers began to use vSRM. Even in time, as Otokar's satisfaction from vSRM increased increasing the number of these companies also became one of our objectives.”

Can Sevinç also highlights that the major elements of the system such as the server, developed software and security are located outside of Otokar. So, all Otokar needs to do is to send the order data, schedules, the quality report information on the quality of incoming goods, and the payment information via web. “Our suppliers can also log in the system and see Otokar's orders. Besides, both they are able to reach the information on the orders they send and we can reach any kind of information related with them very easily. There are reports, communications, monitoring screens on the system. In addition to them, e-dispatch note application is also a great advantage for us. This application, which works with a few minutes delay enables entering the dispatch note of an incoming item on electronic environment.” says Can Sevinç and adds that he sees vSRM as a platform that provides very fast and sound data flow on electronic environment.

Sevinç points that from Otokar's perspective, the most important benefit provided by vSRM is the productivity increase during the supply process, “We see that this system provides a serious efficiency increase and this process, which has begun with Otokar is expanding very fast, and it is being used by many companies in the automotive industry. The main factor behind this success is the satisfaction of users. As the number of users increases so fast, of course ITG's technical support burden also increases. Yet, ITG knows how to successfully deal with this burden.”

vSRM PROVIDES TIME AND MANPOWER SAVINGS FOR OTOKAR

Having expressed that ITG develops user interfaces in accordance with the users' and suppliers' requests, Sevinç further elaborates: “For example, when we first began to use vSRM, the features related with payments and quality were

vSRM FROM A SUPPLIER'S PERSPECTIVE

“We have been using vSRM very actively since 2005. We are not losing time with fax as we did in history, and we are processing all our orders on vSRM. E-dispatch note, one of the features in vSRM is greatly facilitating our work. So, a vehicle which sets off from our company and destined to Otokar, does not wait at the gate of Otokar and lose time. Because, before our vehicle reaches there, e-dispatch note reaches Otokar via vSRM.”

not available. After the system provided positive results in every aspect, a very serious change and development process was also experienced with it. Currently there are 12 different modules on vSRM. The sensitivity of ITG on feedbacks greatly contributes to reaching this point. Having shown an approach open for new ideas all the time, I am sure ITG is going to continue developing and further expanding the use of vSRM."

Keçeci also say that previously a report related with quality was faxed from Otokar to the supplier company, then it was taken to the concerned person there, and it was causing to a serious loss of time for them. "We are directly uploading the quality report on vSRM, and reflecting it on the related person's screen on the other side. In this sense, I have to express that we have obtained significant savings from manpower and time", says Keçeci and underlines that certain supplier companies have requested using vSRM by themselves as soon as they begin working with Otokar. Keçeci further said that in addition, they printed and sent barcodes via vSRM to the suppliers who do not have their own capacities to produce barcodes, and that they share their shipment plans with their suppliers via vSRM.

vSRM ALSO INCREASES ERP EFFICIENCY

Keçeci expresses the importance of vSRM in filling a serious gap in the supply chain as follows: "Having an ERP (Enterprise Resource Planning) software does not mean that the main industry company owning this system would use it 100 percent efficiently and properly. Because, if you plan your requirements with an ERP software, then you will be calculating the changes in the near future. And you inform your requirements to your suppliers according to your calculations. But knowing your requirements does not bring you a benefit unless you can communicate them to the opposite side in a correct and timely manner. At that point, vSRM enables us to communicate these requirements to the opposite side in the healthiest manner and so, also increases the efficiency of the ERP software we use.

OTOKAR vSRM Project Summary Information

- The number of suppliers who use vSRM is over 120 (More than 80% of Otokar's total business volume)
- The approximate number of materials supplied by Otokar via vSRM system is between 1200-1500 items.
- Purchasing Orders and Supplier Schedules are shared by all suppliers.
- The program information can be sent in EDI and other file formats desired by the supplier to allow the suppliers to transfer the data in their own systems.
- Bar-coded shipment labels of the suppliers can be printed via vSRM.
- The suppliers create and send the dispatch notes of the materials they ship to Otokar on vSRM.
- Quality reports can be monitored by the suppliers, the Supplier performances are calculated and issued on vSRM system.

SUPPLIERS ARE ALSO HAPPY WITH USING vSRM

Otokar is very glad due to passing to vSRM. How about suppliers? Cenkmén Keçeci indicates that they played a role in the realization of an innovative idea, and as they were the first to implement, the suppliers experienced certain difficulties of the transformation period, but the 121 suppliers who are currently using vSRM means a significant evidence of satisfaction on their side. He also reminds that there were not any comparable applications in Turkey at that time. Keçeci also expressed that one of the vanguard industries in this regard is banking, and points that they realized vSRM in a period even when the internet banking concept was hardly heard.

Meanwhile, Can Sevinç underlines that Otokar's information technologies (IT) policy is focused on the development of internet, and adds: "Over internet, we also had other applications than vSRM. If we had preferred another way, then we would have been looking for another project similar to vSRM again in only a few years."

LOW TOTAL COST OF OWNERSHIP AND SUSTAINABILITY

With low total ownership and sustainability cost, vSRM provided Otokar with speed and productivity increase. Keçeci expresses the cost caused by vSRM on Otokar on the other hand as follows: "ITG receives a quite reasonable monthly fee from our suppliers, which would not be a burden under any circumstances. The value of this service with such a great effort and serious investment in the background is very important for us. We also frequently hear the satisfaction on this issue from the authorized people in the supplier companies."

"JOINT SUCCESS OF TWO INNOVATIVE ORGANIZATIONS"

ITG Assistant General Manager Dursun Kurt explains the following regarding the period when Otokar began to implement vSRM and in its aftermath: "Having been working with Otokar for a very long time became a very important advantage for ITG. Because in such processes, you can see your ways of working, and find the opportunity to better know each other. You think on the needs and solutions together. So we did and by developing an idea on the requirements shared with us, we reached a conclusion which would make everyone happy. The coherence between the corporate philosophies of Otokar and ITG also contributed greatly to this success. Both organizations are innovative and open for different approaches. vSRM is a joint success of two innovative companies."

ITG General Manager Celil Germeyan comments on Otokar's contribution to ITG and vSRM as follows: "After beginning to work with Otokar, we learned Turkish automotive industry and the types of requirements in this sector. Naturally, that information helped us in building new relations and offering correct products to those new prospects. Furthermore, Otokar provided us maximum support to widespread the utilization of this application in the automotive industry. They acted with the idea that the sector's gain would mean a gain for them. After Otokar started using vSRM, other prominent names in the sector also began to use vSRM."



Dursun KURT
Assistant General Manager / ITG

"Having been working with Otokar for a very long time became a very important advantage for ITG. Both companies through on the needs and solutions together. The coherence between the corporate philosophies of Otokar and ITG also contributed greatly to this success. Both organizations are innovative and open for different approaches. vSRM is a joint success of two innovative companies."

vSRM FROM A SUPPLIER'S PERSPECTIVE

"vSRM has highly facilitated our communication with Otokar. This system, which we have been using nearly for 10 years, enabled having a more formal, higher quality and faster supply bond with Otokar under a certain discipline. The previous supply process by fax, which was prone to error, is now being conducted on electronic environment with minimum failure risk."

About vSRM

vSRM is a supplier relations management portal which includes advanced level of Supply Chain Applications.

vSRM is a platform which satisfies international standards and which is used by many companies in many countries including the USA, Brazil and Spain in addition to Turkey; it offers multilingual support and consists of the following modules.

- vSRM Request Management, Quotation Collection and Analyses (vRFQA)
- vSRM Purchasing Orders
- vSRM Supplier Programs
- vSRM Automatic Stock Replenishment, E-Kanban
- vSRM Milk Run Application
- vSRM Electronic Data Transfer (EDI)
- vSRM Barcoded Shipment Labels
- vSRM Corrective & Preventive Action Management (CPA)
- vSRM Document Management
- vSRM Supplier Performance and Reports
- vSRM Financial Information Sharing
- vSRM E-Mail and SMS Services
- vSRM Virtual Activity Follow Up

Some of Otokar Suppliers who use vSRM

Akkardan, Armetal, Autoliv
Cankor, Bosal Mimaysan, Böllhoff
Civata, Canel Otomotiv, Ditaş,
Farba Otomotiv, Grammer Koltuk,
Hisar Makina, Kale Oto Radyatör,
Konvekta Klima, Lider Oto,
Maysan Mando, Murat Ticaret,
Mutlu Akü, Norm Civata, Nursan
Elektrik, Olgun Çelik, Olimpia Oto
Camları, OtoTrim Otomotiv, Pimsa
Poliüretan, Plastikform Sazcılar
Otomotiv, Sege Koltukları, Sika
Yapı, Standart Profil, Supsan,
Tamcam, Tekersan Jant, Tirsan
Kardan, Trakya Cam San, Türk
Henkel, Türk Pirelli, Valeo Oto,
WÜRTH Otomotiv, Yemenici Oto.



ABOUT OTOKAR

Having been acting under the body of Koç Group since 1963, Otokar is a company that offers customized solutions in accordance with its customers' needs through its own technology, design and applications. The company manufactures minibuses and coaches labeled "Sultan", "Doruk" and "Kent" for mass transportation, "Land Rover Defender" 4x4 tactical terrain vehicles under Land Rover license, light-armor rolling stock for the defense industry; trailers and semi-trailers under the brands "Otokar" and "Otokar- Fruehauf" for transportation and logistics industry, and it is also the main contractor of Altay Project for Modern Tank Production By National Means. Otokar currently employs nearly 1,200 employees at its factory in Sakarya, which is located on 552,000 sqm area. From Otokar's history,

- **1987:** Otokar began Land Rover Defender 4x4 tactical vehicle production in accordance with the needs of Turkish Armed Forces.
- **1990:** Designed first armored tactical rolling stocks of Turkey.
- **2002:** Otokar took over İstanbul Fruehauf Taşıt Araçları Sanayi A.Ş. and started trailer production. It began to manufacture its own design small buses under Sultan brand.
- **2007:** Also added its own design "Doruk" to its coach family.
- **2008:** Assigned as the main contractor for the design and prototyping of the first Turkish Main Battle Tank.

ABOUT ITG

ITG is a software company specialized on Supply Chain Management and ERP (Enterprise Resource Planning) applications, which has been serving in this field for over 15 years. ITG especially offers solutions to the industries with multiplier suppliers such as main industry manufacturing companies and retail industry. Among these solutions which include advanced level of Supplier Chain applications such as Supplier Programs, Milkrun, VMI-Vendor Managed Inventory, Automatic Stock Replenishment, e-Kanban and EDI; vSRM (virtual Supplier Relationship Management), the B2B supply portal developed with Java and XML Technologies holds a special position. vSRM is an application that satisfies international standards in six languages and which is used by many companies in eight different languages at an international level in many countries mainly including the USA, Brazil and Spain in addition to Turkey. ITG, who realizes the installation of this system, offers its customers services on hosting and expansion of vSRM among supplies. ITG's specialized products also include web-based vAT for Pharma (virtual Activity Tracking for Pharma) product which was developed for the companies selling and marketing pharmaceuticals for planning, conducting and performance measuring of field sales activities. One of the major pluses of ITG is having an experienced team who have undertaken duties in the implementation and localization of international ERP packages at automotive (OEM) main industry and supplier industry companies.