

TECHHOUSE Guideline for Innovation Challenge Definition

1. Describe the challenge you are addressing in one sentence.

Quickly and easily gather reliable information about suppliers and evaluate alternative solutions available on the market and possible consequences to improve the global sourcing process and support negotiations to achieve better results.

2. Describe the general environment of the challenge, the challenge itself in more detail and why finding a solution is important

Currently many buyers are preparing the sourcing and negotiation procedure manually. Already available data (internally and externally) are often not fully utilized. The reasons therefore are divers: sometimes there is a lack of time for research and sometimes the experiences or network of single buyers is not given. Information gathered is then stored locally and not available for future projects or other buyers.

The selection of the supplier has a tremendous impact on important factors such as the price of materials, alternative sources and markets, product design, product quality, new innovations or delivery time and costs.

Therefore, ANDRITZ is looking for a solution, which not only makes the selection process of the supplier easier and more transparent for the buyer, but also provides direct recommended actions as a "digital assistant". On the one hand the solution should provide the buyer with information on suppliers, markets and also insights on potential alternatives (eg. change of sourcing region) on the market and the possible consequences they may have (eg. shorten/extended lead time, change in engineering due to different standard, etc.) for improved sourcing concepts and innovative negotiations. On the other hand, it should provide information on what to expect from a sourcing country/region needed to make more reliable decisions and support how to work with other cultures most effectively. A solution would have relevance across various industries and branches.

3. What is the potential impact of a solution to the problem you are facing?

Having the right information at the right time means we are more prepared for the sourcing process and could develop better strategies. More alternatives concerning suppliers, markets or design means more power and favorable results during negotiations. We would be informed about risks and mitigation strategies that can be implemented.

4. What are the essential functionalities/capabilities that the solution has to meet?

Following features and functions are important to ensure acceptance of the solution: Fast; simple to use; easy to add information; clear structure; combination of internal and external know how; link/output to available (eg srm) systems.

5. Will there be a detailed technical briefing of the environment the solution has to operate in?

Yes, if required. Existing systems and data (e.g. Supplier database) should be included in the solution.

6. What resources (data sets, detailed current approach, unsuccessful preexisting approaches) can be made available to the participants?

Following Systems are currently in use and relevant for the project:

- Internal resources
 - SRM (Supply Relationship Management Tool)
 - SAP / BI / Celonis
 - Contact persons
- External systems / Licensing agreements:
 - Kairoscommodities
 - Duns & Bradstreet

Secrecy Agreement is needed for access to the data.

7. What disciplines/background/capabilities are likely to be required to solve the challenge (this could also be an interdisciplinary combination of individuals)?

- Holistic thinking
- IT & AI specialist
- Creativity
- Intercultural thinking
- Basic know-how about Supply Chain Management

8. Would you like to promote potential approaches (technologies/devices), or is the chosen approach secondary to finding a solution to the problem?

There is no limitation of the approaches such as technologies or devices that should be used. We are open to different solutions. The only important prerequisite is that we can embed this information into our existing supplier relationship management tool in some form (upload, direct link, etc.).