

SAS Institute Inc.

Contact Information:

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Representative Clients: ABB Ltd., AP Moller, Bayer CropScience, Blyth Inc., Caterpillar, Masco, and Schneider Electric.

Scope and Type of Services Offered: SAS has a broad array of software and service offerings that address different aspects of supply management such as:

- Demand Prediction - High-performance forecasting automatically selects the time series models that best explain your historical data, optimizes all model parameters, and generates high-quality forecasts used to determine supplier capacity requirements and material requirements patterns.
- Sourcing Data Quality – The completeness and accuracy of the information used to support strategic sourcing activities can be improved through standardizing, cleansing and rationalizing your supplier master files. Auto-classifying techniques can organize a company's purchased materials and services according to a standard classification structure, like UNSPSC, which allows procurement professionals to identify supplier consolidation or volume discount opportunities.
- Early Warning – Predictive analytic techniques and data/text mining can uncover patterns indicating where and when future failures are likely to occur. Enterprise data such as shop floor records, supplier audits, warranty claims and call center reports hold clues about potential product failures. Combining structured information with unstructured data captured by field technicians provides warning of field issues months earlier. This information enables you to adjust your internal manufacturing processes or take action with your component suppliers to reduce the production of defective units.

Key Strengths/Expertise: SAS has over 28 years of expertise and experience in addressing data management issues and applying advanced analytics to solve complex business problems. SAS invests 26% of its revenue back into R&D activities, nearly twice the average investment of other large software companies. SAS solutions are used at more than 40,000 sites – including 96 of the top 100 companies on the FORTUNE Global 500[®]. In the area of supply management,

SAS' software and services deliver 'supply chain intelligence' in the form of predictive analytical modeling and optimization techniques. With annual revenues over \$1.3 billion, SAS is the world largest privately held software company.

Service Model: The supply management software licensed from SAS is typically installed on the client's hardware. However, SAS does offer a hosted version of our SAS® Supplier Relationship Management (SRM) solution.

Compensation structure: SAS offers single or multi-year license agreements for their software solutions. The software license agreements that SAS customers utilize entitles them to outstanding customer support and software upgrades, not including professional services fees for implementation tasks.

Target Customers: Primary industry focus is both process and discrete manufacturing. The majority of our SAS SRM clients have an annual revenue of \$1 billion or higher. Our SAS SRM solution addresses both the direct and indirect categories of spend.

Case Study:

Company Name:
ABB Ltd.

Business Challenge:
ABB Ltd. is the global leader in power and automation technologies for utility and other industries and one of the largest engineering companies in the world. ABB employs about 160,000 people in more than 100 countries. The 1,500 companies under its corporate umbrella generate combined revenues of nearly \$25 billion.

ABB had procurement data for over 100,000 suppliers in over 500 systems with no central view of the information. ABB needed an enterprise-wide solution to help reduce their number of suppliers and achieve specific cost savings goals.

Strategy:
ABB needed to better manage spending, leverage total buying power, and identify sourcing opportunities for optimum supplier relationships through spend analysis. SAS helped ABB rationalize purchase spend by collecting and analyzing data across their organizational divisions and different operational systems.

Value Achieved:
Within 12 months, ABB was able to realize 5% - 25% cost reduction savings across key commodity groups from the spend analysis and sourcing activities enabled by the SAS SRM solution.