



RosettaNet - Essential Business Value for Your Trading Network

RosettaNet continues to prove its value with a growing list of global members that support aggressive implementation initiatives. Whether companies are looking to build complex relationships with a limited number of partners or structured processes with large numbers of partners, RosettaNet has the standards and tools to enable dynamic, flexible trading networks across a variety of industries.

The following highlight business benefits as realized by RosettaNet users:

INTEL CORPORATION/SHINKO ELECTRIC INDUSTRIES

Intel Corporation and component supplier, Shinko Electric Industries, collaborated to manufacture Intel semiconductors. The two companies established an agreement to implement a multi-phase project using RosettaNet Partner Interface Processes® (PIPs®).

Implementing XML-based RosettaNet standards helped eliminate substantial auto-fax costs by enabling use of the Internet as a low-cost transmission medium. RosettaNet standards also supported much higher transaction volumes and performance scalability than traditional Web-based tools.

Shinko was able to achieve a 50 percent reduction in manual workload and establish a 100 percent error-free process environment. In addition, order management throughput time was reduced from 24 hours to less than one hour. The overall transactional throughput doubled from about 20 transactions per minute to about 40 transactions per minute after the first implementation phase.

Today, the two companies are using RosettaNet standards in working toward a forecast-to-cash process that involves all aspects of the supply chain relationship - from initial sales forecasts to purchase orders to shipment notices to final payment. The entire process will be an end-to-end, 100 percent electronic communications process.

STMICROELECTRONICS

With the implementation of RosettaNet PIPs, STMicroelectronics' business model has transformed to a more responsive vendor managed inventory (VMI) model. Overall, STMicroelectronics projects a decrease in planning man-hours by at least one full-time equivalent (FTE). There is a reduction in non-value-added man-hours along with increased accuracy, resulting in an estimated 50 percent reduction in contract costs and elimination of 80 percent of manual transactions.

Furthermore, this decrease in demand variability meant that STMicroelectronics only needed to carry two weeks of inventory to satisfy the agreed-upon service levels to trading partners. STMicroelectronics estimates that it has avoided a safety stock increase of more than 50,000 wafers, representing a significant inventory savings. Overall, the company has realized a 30 percent increase in capacity utilization as a result of Dynamic Replenishment Process (DRP), resulting in lower component costs.

ARROW ELECTRONICS/UNITED TECHNOLOGIES ELECTRONIC CONTROLS

Arrow and United Technologies Electronic Controls agreed to replace their existing Electronic Data Interchange (EDI) purchase order process by implementing RosettaNet PIPs. The companies chose RosettaNet standards to meet their requirements for transactional security, real-time communication, 24x7 transaction processing, and rules that facilitate automated order processing.

Manual order processing was reduced by 93 to 95 percent. Inventory turns were increased from 3.3 to 7.0 by freeing staff from manual order processing, allowing more time for inventory management. Order response time, which took up to 10 hours using EDI, was reduced to two hours for exceptions that required manual intervention, and less than 20 minutes for non-exceptions. Order accuracy was improved, eliminating additional re-entry tasks and other costs. Return on working capital was increased by 30 percent through improved inventory management.

For details on return on investment (ROI) analysis implementation studies from RosettaNet Partner companies, visit www.rosettanet.org/roistudies.

About RosettaNet

RosettaNet is a non-profit consortium dedicated to the collaborative development and rapid deployment of open, Internet-based business standards that align processes within the global trading network. More than 500 multinational and regional companies in the information technology, electronic components, telecommunications and semiconductor manufacturing industries participate in RosettaNet's strategic standards and services development. Fortune 1000 companies worldwide have implemented RosettaNet standards, conducting B2B operations that value billions in annual revenues.

To learn more about how you can improve your company's return on investment strategy, visit www.rosettanet.org. RosettaNet is a subsidiary of the Uniform Code Council® (UCC®).