

# Leading Internet procurement portal for shipbuilders built on IFS Applications™

**ShipyardsXchange (SYX) is an Internet procurement portal with the commercial shipbuilding market as its primary target. Designed by and for the shipbuilding industry, SYX simplifies, automates and supports the procurement and sales processes used for strategic, non-standard goods for shipbuilding projects.**

Conceived during the fall of 1999 by Aker Brattvaag Shipyards in Norway, SYX evolved via a successful pilot project to become an independent company chartered to establish and market a B2B portal for the shipbuilding industry. Today, with a growing number of customers across Europe, North America

and Latin America who represent more than €1 billion in strategic goods procurement, SYX is well on its way to fulfilling its mission to become the leader in online procurement solutions for strategic purchases in the industry. A consortium that includes Aker Kvaerner Yards, Aker RGI SENER, Ementor, Marintek and Rolls-Royce Marine owns the company.

### The Challenge

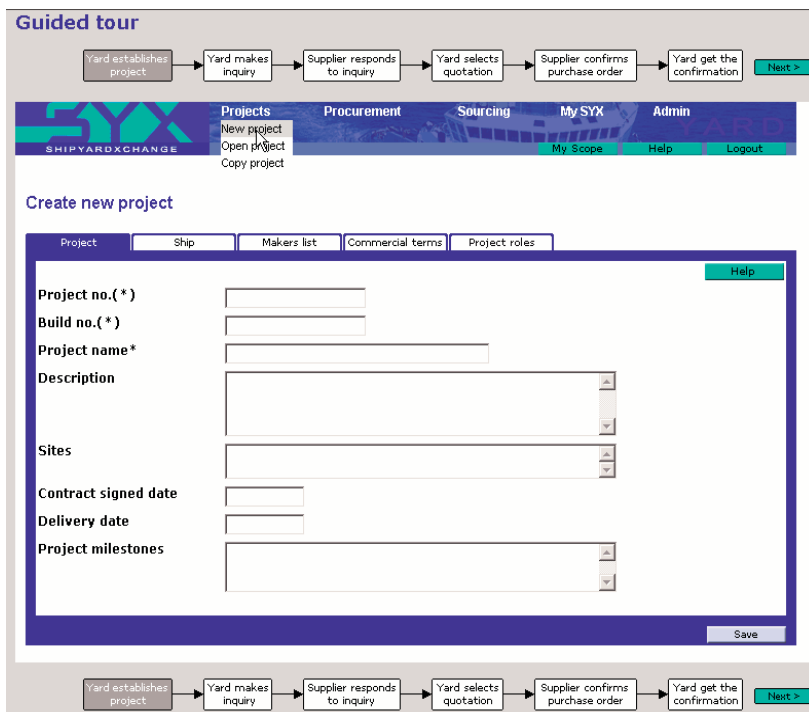
The shipbuilding industry in Europe annually generates €19 billion in revenue, delivering an extensive range of vessels to the cruise, container, fishing, offshore and other cargo industries.

Procurement is a far more complex process for shipyards than for many other industries.

Shipbuilding involves a large number of customized heavy systems and sub-system contracts. When a shipyard and a supplier sign a contract, this marks the start of a long and detailed process of extensive interaction. Partly for these reasons, “traditional” catalog-based electronic procurement concepts are of limited value.

Traditional procurement processes tend to be time-consuming, using a wide range of communication vehicles including e-mail, regular mail, telephones and faxes, making it unwieldy to handle RFQs, revisions and other procurement documentation.

For SYX, the challenge was to provide a secure Internet-based procurement site that would streamline procurement processes and



lower costs for those involved. As Are Føllesdal Tjønn, CEO at SYX, puts it, “We wanted to create a solution that went to the very heart of the problem.”

### **The solution**

SYX approached a number of applications vendors and found that the solution offered by IFS was the most suitable. Are Føllesdal Tjønn comments, “The key functionality was very good, with functionality for quotations and RFQs built into the solution. We knew that most vendors supported internal processes well and that we would have to develop and build new systems for Internet exchange. The flexibility of the component-based architecture underlying IFS Applications made this job much easier. It also made it easier to go live.”

### **Implementation**

Five shipyards and more than 120 suppliers were involved in the pilot project, which was completed at the end of 2001. On top of the standard components, a web layer, based on the IFS Web Kit™, was developed using Microsoft COM and ASP technology. The Web layer was developed by IFS and an e-business supplier. Are Føllesdal Tjønn continues, “Projects of this size often run over time and this was no exception, but despite that, we remained within budget. We had good contact with IFS throughout, and its consultants were always there when we needed them. IFS is a very solution-oriented company.”

### **Benefits**

One of the most important advantages of SYX is that it has been developed by shipbuilders for shipbuilders. IFS, which is targeting the shipbuilding industry, has a depth and breadth of knowledge of the sector that is hard to match among business applications vendors.

Are Føllesdal Tjønn adds, “IFS Applications is a stable robust system. Combined with Oracle systems, it is the ideal platform for handling large transaction volumes.” Moreover, the scalability of the solution enables new components and functionality to be added unnoticeably and without disrupting operations. For example, SYX is currently in the process of adding an interface to IFS Shipbuilding™, a software package from IFS developed specifically to meet the needs of the shipbuilding industry. This will further simplify the procurement process, allowing buyers to place RFQs simply by right-clicking on the mouse. This will eliminate an enormous amount of manual data entry. As such it matches SYX’s ambition to cut lead times, reduce administration and lower procurement costs within the industry.

The document management functionality is another benefit. Drawings, specifications and other documents are stored in the system and made accessible to all who are authorized to access them, making it easier to handle repeat orders. It also facilitates document updates. Since everything is stored and updated in one system, there is no risk of earlier versions causing confusion and expensive errors.

The SYX solution is hosted and operated by @IFS, the application service provider (ASP) division of IFS. This enables SYX to focus on what it does best—simplifying and enhancing procurement for shipbuilders—while remaining secure in the knowledge that the site is continuously maintained and optimized by the applications experts at IFS.

### **Software**

IFS Distribution™;  
 IFS Financials™;  
 IFS/Document Management™;  
 IFS Connect™