



## Enabling Online Supplier Collaboration at Toshiba Semiconductor Company

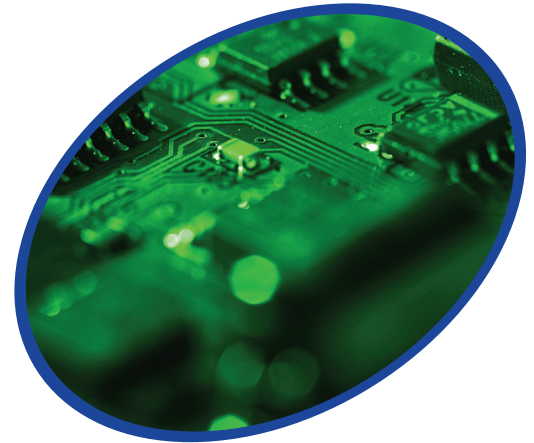
Toshiba Semiconductor Company needed to use the Internet to obtain real-time information on a global operational basis to maintain its position as a global leader in the industry. To address these issues, Toshiba implemented i2 solutions for spend optimization to help manage its supplier relationships. With i2 solutions in place, Toshiba has automated and streamlined its RFQ process, and improved its purchasing processes.

Speed, innovation, and efficiency—three keys to success in the semiconductor industry.

As one of the world's leading semiconductor companies, Toshiba Semiconductor Company recognized that these characteristics were vital to its continued success in a highly competitive industry.

But Toshiba also recognized that its limited ability to obtain real-time information on a global operational basis would hinder the company's success if the issue was not addressed.

"Toshiba knew that its IT system should be running globally, with the ability to make quick decisions while maintaining very low operational costs," said Seijiro Suzuki, Toshiba Semiconductor Company's Chief Information Officer. "We needed to use the Internet to interact with our suppliers and customers. Creating the new IT system would give us this capability."



## TOSHIBA

### Challenges

- Enable Internet-based purchasing and negotiation with suppliers
- Obtain real-time information on a global operational basis
- Make faster decisions while maintaining low operational costs

### Solutions

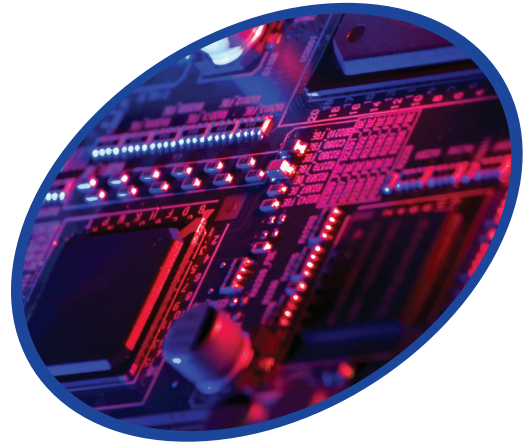
- Automate and streamline RFQ process
- Develop supplier database
- Create balanced scorecards for suppliers

### Results

- Gained ability to handle 7,000–8,000 RFQs per site
- Added speed, efficiency, and reliability to purchasing
- Enabled purchasers to collaborate with product designers

### Company Description

**Toshiba Semiconductor Company**, an in-house company of Toshiba Corporation, is a leading global manufacturer of semiconductor products, including audio and visual system LSIs, PCs and PC peripherals, and mobile phones. Headquartered in Japan, Toshiba Semiconductor Company has more than 20 manufacturing and assembly locations and 30 sales offices.



*"Since the price of semiconductor products is changing every minute, we have to be able to adjust the price of our materials accordingly. The speed with which we can collect information from suppliers and make decisions affects our bottom line. i2 solutions help Toshiba achieve this competitive advantage."*

*—Seijiro Suzuki  
Chief Information Officer  
Toshiba Semiconductor Company*

**TOSHIBA**

#### **Why i2?**

"We were looking for a provider that would not only enable us to conduct our operations more efficiently, but would also enable us to move in a new business direction," Suzuki said. "In order to become 'Net ready,' we needed to employ a Web interface with our customers and suppliers in all of our business processes. With that in place, Toshiba could operate on a real-time basis using accurate information, which is very important to us. In that sense, i2's technology was very fitting for our goals."

i2 solutions enable companies and their suppliers to collaborate on sourcing and procurement for supply management. Bridging product development, sourcing, supply planning, and procurement across the end-to-end supply chain, i2 solutions provide the ability to create, execute, and sustain global sourcing strategies.

#### **i2's Contribution**

Toshiba implemented i2 Negotiate™ and i2 Strategic Sourcing™ from i2's suite of solutions. Toshiba is utilizing the solutions to source direct materials and for its information-gathering and decision-making processes.

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"With i2 solutions, the speed of our information-collecting and decision-making processes has increased," Suzuki said. "We can send out RFQs to suppliers via the Internet, and get responses in virtually real time. The RFQ is sent out a second time, and Toshiba again gathers responses. Using all of that information, Toshiba can more strategically select a supplier."

The information that Toshiba gathers is also helping the company to create a supplier database to assist selection of the best suppliers in future negotiations. That information can also be shared by all of the company's purchasing staff.

"Toshiba can use the information gathered through the RFQ process to create a large database for each negotiation history that we ultimately will use to make balanced scorecards for each supplier," Suzuki said. "This enables Toshiba, in the long run, to select the best suppliers."

The database also will serve as a common information tool for Toshiba's purchasing agents.

"Before i2, purchasing employees were buying products only locally, and there was no sharing of information among buyers or factories, or among factories and headquarters," Suzuki said. "Purchasing activities were being conducted separately because no common database existed. i2 solutions enable purchasers to share the information and collaboratively participate in purchasing activities."

### **Toshiba Semiconductor Company's Results**

i2 solutions are enabling Toshiba to gain competitive advantage by refining its supplier base.

"i2 solutions are optimizing Toshiba's business processes by enabling us to conduct purchasing activities more efficiently, with greater speed due to the Web, and with more reliable suppliers," Suzuki said. "Our implementation also is enabling us to handle a large volume of RFQs—between 7,000 and 8,000 per site at six of our major factories in Japan."

The increased level of speed and intelligent decision-making that Toshiba has achieved with i2 solutions gives the company a competitive edge.

"Since the price of semiconductor products is changing every minute, we have to be able to adjust the price of our materials accordingly," Suzuki said. "The speed with which we can collect information from suppliers and make decisions affects our bottom line. i2 solutions help Toshiba achieve this competitive advantage."

Toshiba anticipates that i2 solutions will help the company reduce its number of preferred suppliers based on balanced scorecard information.

"Toshiba will reduce its list of suppliers to the most valuable suppliers only," Suzuki said. "By doing that, our transactions will be smaller in size, and we can get the best price, the best quality, and the best delivery performance suppliers. Ultimately, the level of purchasing quality will drastically improve."

i2 solutions also will help to make purchasing agents more strategic by enabling them to collaborate with product designers in the design stage—where 80 percent of a product's cost is determined.

"Toshiba's purchasing people will turn their attention from paperwork and checking supplier quotes to playing an active role in the product design process," Suzuki said. "Purchasers and developers can collaboratively use the database to select the best suppliers."



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