

Ordering transportation services in the Inbound Process

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Responsible Specialist	Martin Beutel, SE LOG DG, martin.beutel@siemens-energy.com
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Valid for Organization	all Siemens Energy Units and Affiliated Companies (SGRE excepted)
Process Categories	Logistics; SCM

Scope

It addresses all employees involved in the Purchase-to-Pay process for inbound transportation of Siemens Energy worldwide. Responsibility for implementation and compliance with the outlined requirements is at the heads of the logistics entities.

Short Description

This Instruction covers supplier ordered transport services for delivery of goods at Siemens Energy, so called inbound transport. These transport services need to be performed within the network of Siemens Energy transport service providers. It is the goal to minimize Purchase-to-Pay process cost for transport ordering and to increase data quality and automation in the process.

The governed use of Transport Management Systems minimizes Siemens Energy effort for scheduling these transports. The system provides the supplier for the selected transport mode and relation with the best service provider and the order is transmitted electronically.

This procedure ensures order compliance, increases automation and data quality in the process. All these characteristics realize additional savings in Freight Audit and Payment.

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1 Purpose

This instruction covers supplier ordered transport services for delivery of goods at Siemens Energy, so called inbound transport. These transport services need to be performed within the network of Siemens Energy transport service providers. It is the goal to minimize Purchase-to-Pay process cost for transport ordering and to increase data quality and automation in the process. Through optimization of transport the CO2 emission will be minimized.

2 Applicability

This Instruction is binding for all units of Siemens Energy AG and applies to Siemens Energy's Affiliated Companies in accordance with [SE Circular No. 1_C_1 "Governance System"](#), whereas separate agreements apply to SGRE (Siemens Gamesa Renewable Energy S.A. and its subordinated Affiliated Companies).

3 Principles / requirements

To use the Siemens Energy transportation network a F- Incoterm® has to be used when ordering tangible goods. Ordering transport from supplier handover to Siemens Energy (so called Inbound transport) needs to meet the following principles:

- Purchase-to-Pay Compliance acc. Circular 1_C_37 „Procurement Principles“ must be assured.
- Only released transport service providers from the Nominated Forwarders List are to be used.
- Measured to transport mode, relation and cost the best service provider needs to be selected.
- The transport order must carry all relevant references for the Freight Audit and must support automated Freight Clearing.
- Initiated by the supplier the Inbound transport is to be ordered via an automated procedure (so called Inbound Transportation Management System).
- Forwarding the transport order is only by electronic data exchange.

The Siemens Energy transportation network forwarders are mandated by their frame contracts to utilize online platforms and to support electronic data interchange.

4 Procedure

By utilizing Inbound Transport Management Systems Siemens Energy assures the compliance to above mentioned principles in the same time minimizing effort and cost.

For goods transport within North America (Canada, US and Mexico) only the “MercuryGate” online portal is to be used, any other goods' transport needs to utilize the “ILoP” online portal.

Goods transport includes supply of goods from external vendors to Siemens Energy entities as well as Siemens Energy to Siemens Energy entities.

Utilization of MercuryGate/ ILoP is obligatory for all inbound transports under the F- Incoterm®. Utilization of these systems must be increased and entities missing these systems are obliged to implement them.

Responsible for implementing this instruction are the leads of the logistics entities of all Siemens Energy Divisions and Business Units.

Contact for your questions and the implementation is SE LOG DG, Martin Beutel.

5 Monitoring

Utilization of Inbound Transportation Management Systems is monitored via the KPI "Utilization rate Inbound TMS". For calculating the utilization rate the number of purchased processed via TMS is into proportion to the total count of goods purchases.

By monitoring the rate of change for the "Utilization rate Inbound TMS" the implementation of this instruction is to be measured.

6 Documentation

6.1 Terms, definitions, abbreviations

- **F- Incoterm®:** FCA or FOB; for information on the Incoterm® see [link](#)
- **ILOP („Inbound Logistics for Plants“):** Online portal for ordering inbound transportation, provided by Siemens Digital Logistics GmbH. The portal operates on the AX4 platform.
- **MercuryGate:** Online portal for ordering inbound transportation, provided by MercuryGate International Inc.
- **SE:** Siemens Energy
- **SGRE:** Siemens Gamesa Renewable Energy
- **TMS:** Transportation Management System

6.2 Referenced documents

- SE Rundschreiben Nr. 1_C_1 „Governance System“
- SE Rundschreiben Nr. 1_C_37 „Procurement Principles“
- Nominated Forwarder List ([Nominated Forwarders List.xlsx](#))

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Document Release

	Name, First Name	Org. Code
Reviewer	Schmidt, Andreas	SE GP G LRE SCM
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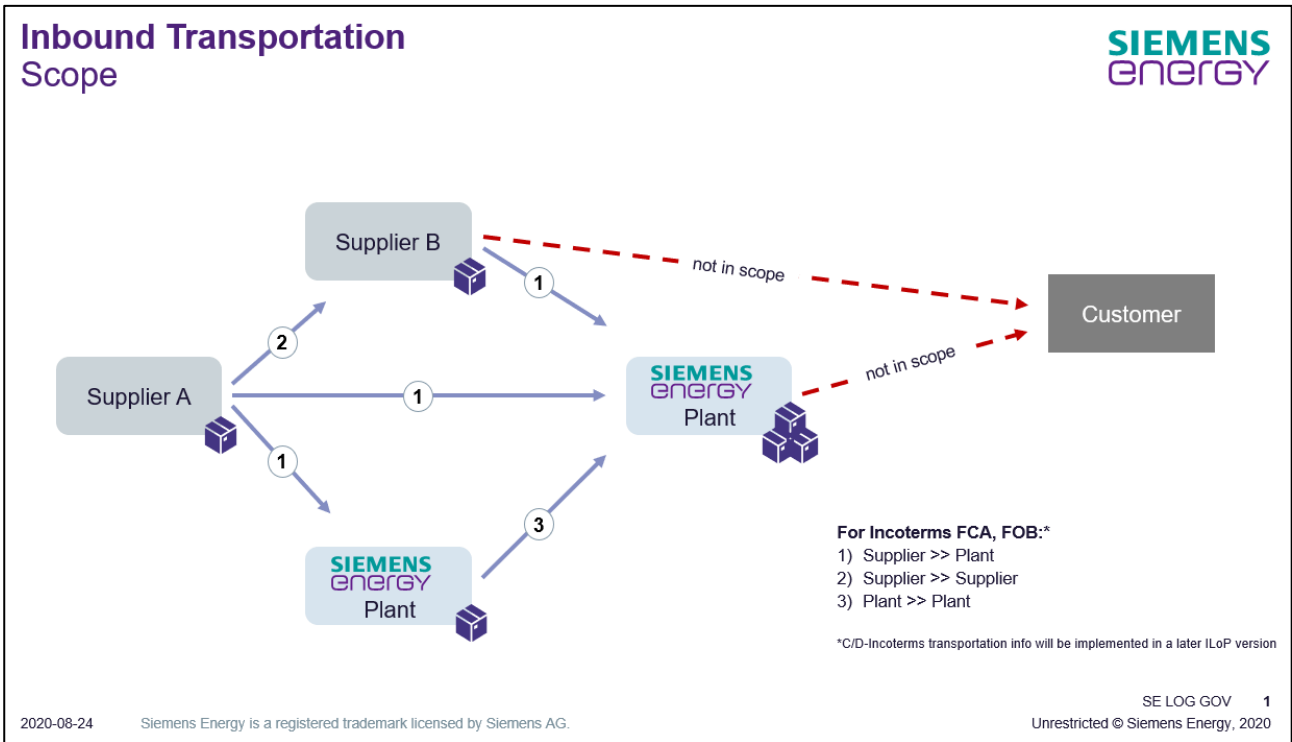
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Organizational Glossary

For definitions of Siemens Energy's organizational terms please refer to the [Organizational Glossary](#).

Annex

Pic 1: Abgrenzung Transport Dienstleistungen im Inbound Prozess



Pic 2: Verwendung von Mercury Gate und ILoP

