

“Quadrem enables us to reap immediate value from e-business by improving transactional effectiveness and efficiency within our supply chain. We send orders to our suppliers via Quadrem's transaction platform instead of fax and realise significantly reduced costs due to improved order accuracy and reduced reconciliation times.”

Peter Greaves, Manager F & I Supply Chain  
Anglo Platinum



QUADREM®

CASE STUDY

## Anglo Platinum

Anglo Platinum, a division of Anglo American plc, is the world's leading producer of platinum. Headquartered in South Africa, the company mines, processes, refines and markets platinum group metals, which comprise a suite of six metals, namely platinum, palladium, rhodium, ruthenium, iridium and osmium.

### CHALLENGE

Anglo Platinum sought to reduce supply-chain costs by streamlining its procurement processes and reducing error rates. The company required a solution that could be implemented quickly at Anglo Platinum and among its supplier community.

### SOLUTION

Anglo Platinum integrated its ERP system, SAP, with Quadrem's eMarketplace transaction platform to send orders and change orders to suppliers using the Internet. The company began transacting in November 2002 with only three suppliers, routing orders via Quadrem's platform instead of fax. In 2003, Anglo Platinum ramped up its adoption phase, working with Quadrem to recruit, train and connect more than 500 large and small suppliers located in South Africa.

### RESULTS

Within 15 months of going live, 30% of Anglo Platinum's monthly purchase orders for goods and services (excluding capital expenditure) were being sent via Quadrem's messaging platform. Anglo Platinum is now processing around 8,000 transactions per month. Joining Quadrem's eMarketplace has had the following benefits:

- ❑ **Shorter accounts receivable cycles for suppliers** — A reduction in order errors translates into shorter accounts receivable cycles for suppliers who are now paid within 30 days instead of 45-90 days, allowing for improved cash flow management.
- ❑ **Reduced procurement costs** — Apart from the savings on the cost of sending orders to suppliers via fax of R300K (USD \$43K) per month, Anglo Platinum is targeting settlement discounts of up to R5 million (USD \$700K) per month. Already in second quarter of 2004 Anglo Platinum has increased settlement discounts taken (for payment of invoices on due date) by over R1 million (USD \$160K) per month.
- ❑ **Error reduction** — With Quadrem's solutions facilitating the transaction process, the response to an invalid order is immediate. This creates minimum interruption and delay for both Anglo Platinum and its suppliers.
- ❑ **Increased productivity** — Differences between Orders, Goods Receipt Notices and Invoices, which create queries and delays in Accounts Payable days are declining at Anglo Platinum. Employees are able to be more productive and handle the increased workload associated with Anglo Platinum's ongoing expansion program.