



Success Story  
Stadtwerke  
Konstanz





Newtron Success Story

# Stadtwerke Konstanz

Putting procurement on a diet

Even companies put on weight. However, this is not about unnecessary pounds, but about unnecessarily complex processes. Procurement in particular is regarded as the “problem zone” with a high potential for shedding some extra weight.

## Lean is IN

This is now increasingly recognized by municipal energy suppliers. They are increasingly relying on internet-based procurement to reduce error rates and costs without additional effort and thus improve their competitive-ness within the market.

Lean is IN.

Stadtwerke Konstanz is a forerunner in eliminating excess ballast: In order to enter, check, approve and process purchase requisitions faster and more efficiently than before, they began looking for a modern, sustainable eProcurement solution for the entire corporate group in mid-2016. Newtron GmbH was awarded the contract and replaced the ordering system with an innovative catalog management system.

## Slim on demand and made to fit

“It was important to us that the new catalog solution be tailored to our very special needs, help us to standardize processes,

in addition to being able to integrate our own databases and connect to the existing ERP environment,” reports Federico Fabbri, Head of Purchasing at Stadtwerke Konstanz GmbH. In other words: toning up yes – but right.

Stadtwerke Konstanz’s purchasing department is responsible for all group-wide supply and services. The spectrum ranges from standard parts, supply lines and electrical systems, buses and ships to office equipment, software, work wear and engineering services.

## Mixing foods causes stomach aches

“It is typical for municipal utilities that a large number of very small orders have to be placed at high frequency, which in turn favors Maverick Buying,” reports Florian Zimmermann, Existing Customers Manager at Newtron. This “wild purchasing” outside of standardized procurement channels was also widespread in Constance and reporting was incomplete. This meant an unreasonably high additional expense for accounting and purchasing, which had to deal with a large number of unregulated orders. This can, in turn, lead to “stomach aches” and “indigestion” within the system.

"Moreover, energy suppliers usually have a wide range of procurement directives that must be precisely adhered to, for example with regard to hazardous substances. Another factor to consider: Approval processes are usually very time-consuming," says Florian Zimmermann. All these aspects had to be taken into account in order to develop a strategy that would help optimize the procurement workflow and manage resources more efficiently.

## Crash diet without the yo-yo effect

The plan was to start Newtron eProcurement in early 2017. But then suddenly everything had to happen very quickly, a crash diet so to speak. Especially once it became apparent that the existing IT service provider would no longer be operational sooner than expected. In order to keep the ordering system running, a Newtron team set up a new system and was able to deploy it within just three days.

Newtron was thereby able to prevent bottlenecks, restrictions and downtimes.

The result was a multi-vendor catalog solution with convenient search functions, intuitive, simple handling and complete integration into Stadtwerke Konstanz's ERP system. Previously used catalogs and supplier lists, including the respective framework agreements, are embedded in Newtron's trade portal and can be supplemented or changed at any time. Any demand for materials, products or services can be centrally managed and tracked. All orders are automatically posted with the correct account assignment without requiring outside intervention. As a result, the

purchasing and accounting departments of the corporate group are significantly unburdened in the long term. To continue along the story line: The typical yo-yo effect common in diets is eliminated.

## Less is more

Users are able to order the exact parts they require from the listed supplier who is most suitable and offers the best price. Release and approval scenarios are stored in the system. Additionally, all steps are documented and archived to ensure adherence to compliance guidelines.

With Newtron's eProcurement solution, Stadtwerke Konstanz now boasts an innovative and cost-effective catalog management system that offers the desired transparency in procurement and also noticeably streamlines the entire purchasing process. Resources are not wasted and time which can be used productively for other activities is saved. By the end of the year, Newtron will also be providing eSourcing solutions for auctions and calls for tenders as well as implementing a modern Supplier Relationship Management (SRM).



On behalf of





**Federico Fabbri**  
**Head of Purchasing at**  
**Stadtwerke Konstanz GmbH**

“Newtron has fully understood our requirements and needs and subsequently implemented them.”

**Showing top form**  
**in the industry as well**

“We want to appeal to the region through quality and innovation,” emphasizes Federico Fabbri. It is therefore only fitting that Stadtwerke Konstanz was honored with the Innovation Award by the Association of Municipal Companies (VKU) for its so-called tenant electricity model at the beginning of the year. “But only those who take a future-oriented stance internally can convincingly promote and embody this image externally,” says Fabbri. “This is why we have fully switched to electronic procurement.” Stadtwerke Konstanz consequently counts as one of the pioneers within the industry. According to a study by the Center for Municipal Energy Industry (CKEW) at the University of Cologne INeKO Institute, less than half of all municipal utilities in Germany (49%) have integrated eProcurement into their own processes.

**Stadtwerke Konstanz –**  
**Mehr Konstanz im Leben**

Stadtwerke Konstanz GmbH, a company under the ownership of the city of Constance, is one of the largest energy supply and transportation companies on Lake Constance. In addition to supplying electricity, gas and water, city bus transportation and the ferry connection Konstanz-Meersburg are among the primary services offered. Telecommunications counts as another business segment. In addition, Stadtwerke Konstanz, with its wholly-owned subsidiaries Bodensee-Schiffsbetriebe GmbH (BSB) and Bädergesellschaft Konstanz mbH (BGK), is one of the largest tourism operators in the region. Other subsidiaries are the Bodensee Hafengesellschaft mbH (100%), which owns and markets numerous ports and properties on Lake Constance, as well as Katamaran-Reederei Bodensee GmbH & Co. KG (50%).

**Please feel free to contact us**  
**and we will prove just how easy it is!**

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