

Integration in practice: Procter & Gamble and Novozymes

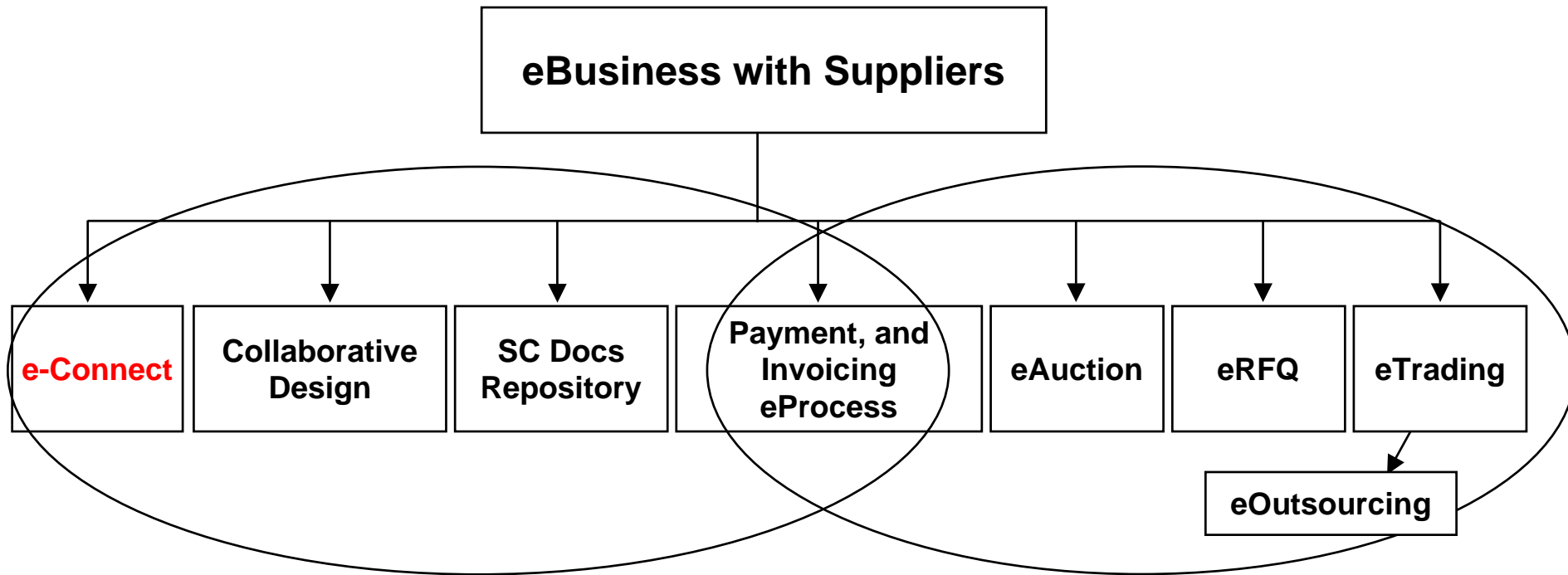
Experience and lessons learned

While optimizing the Upstream Supply Chain

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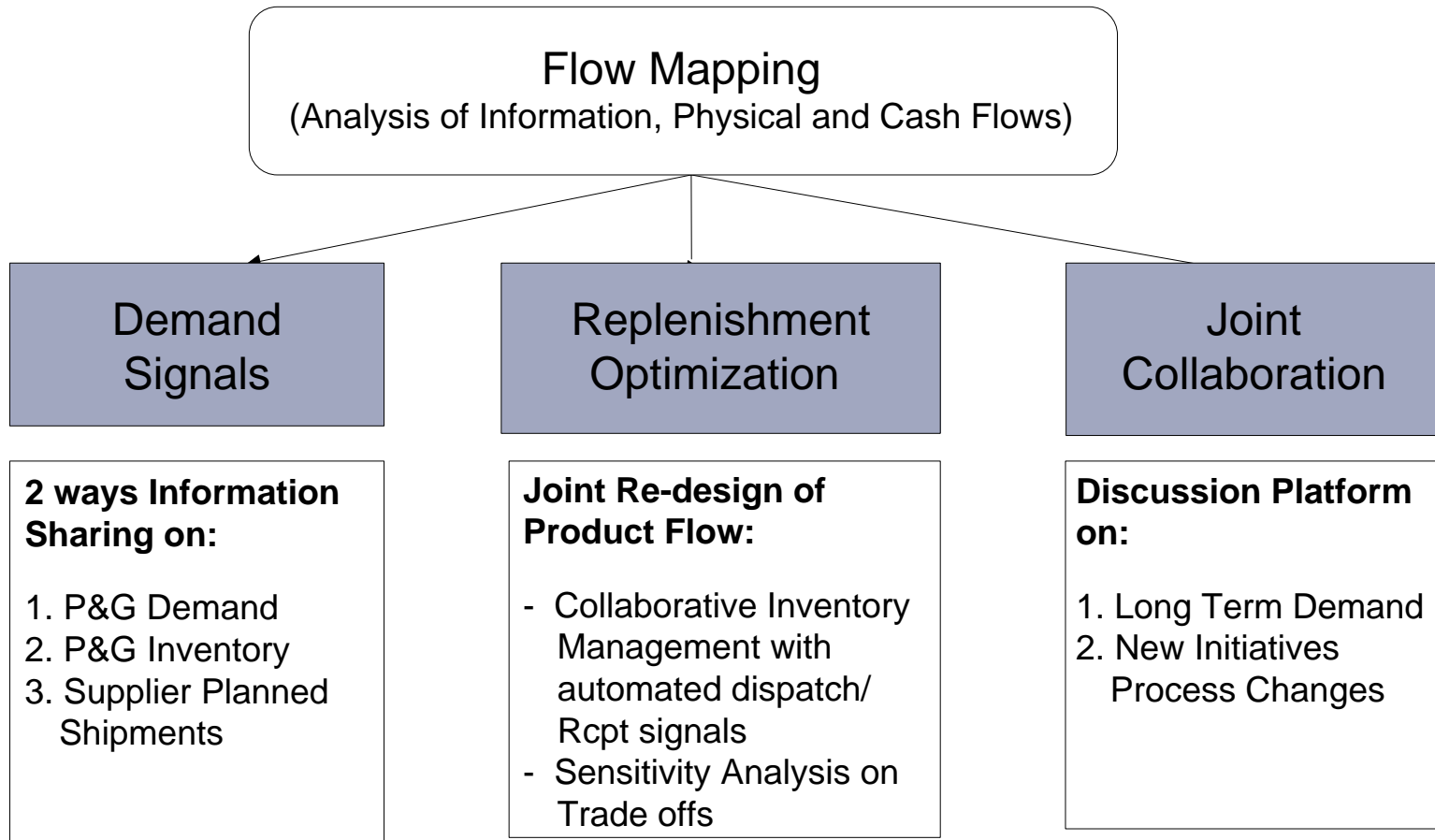
What is eBusiness for P&G



Tier 1 Suppliers
Supply Chain Integration
And Collaboration
(Extended Enterprise)

Tier 2 Suppliers
Best Value Option

What do we mean with eConnect ?

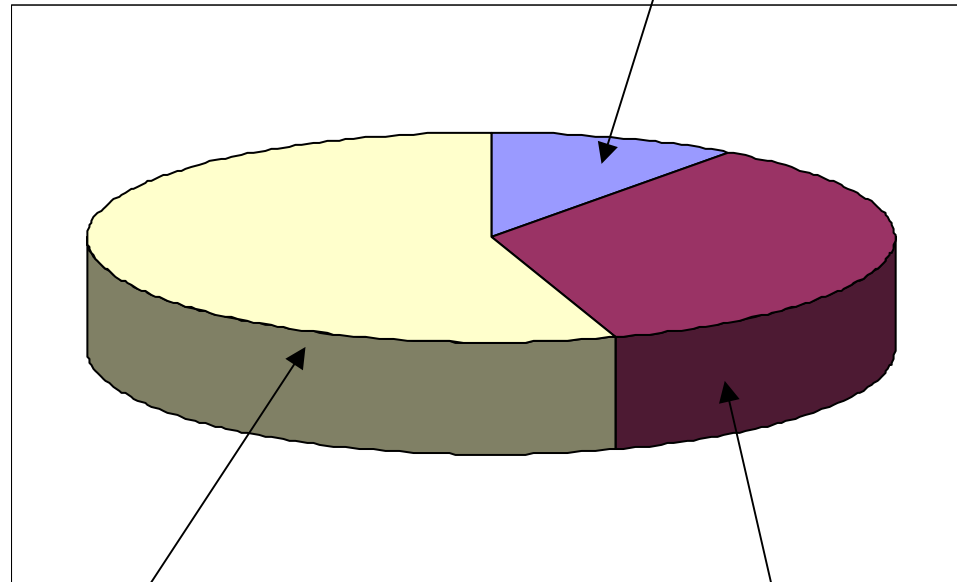


Potential Savings

Replenishment “Losses”
(Demurrages, Freights, Emergencies)

IMMEDIATELY RECOVERABLE

PARTIALLY
RECOVERABLE IN
INTEGRATION
PHASE &
COMPLETE B2B
JOINT
COLLABORATION

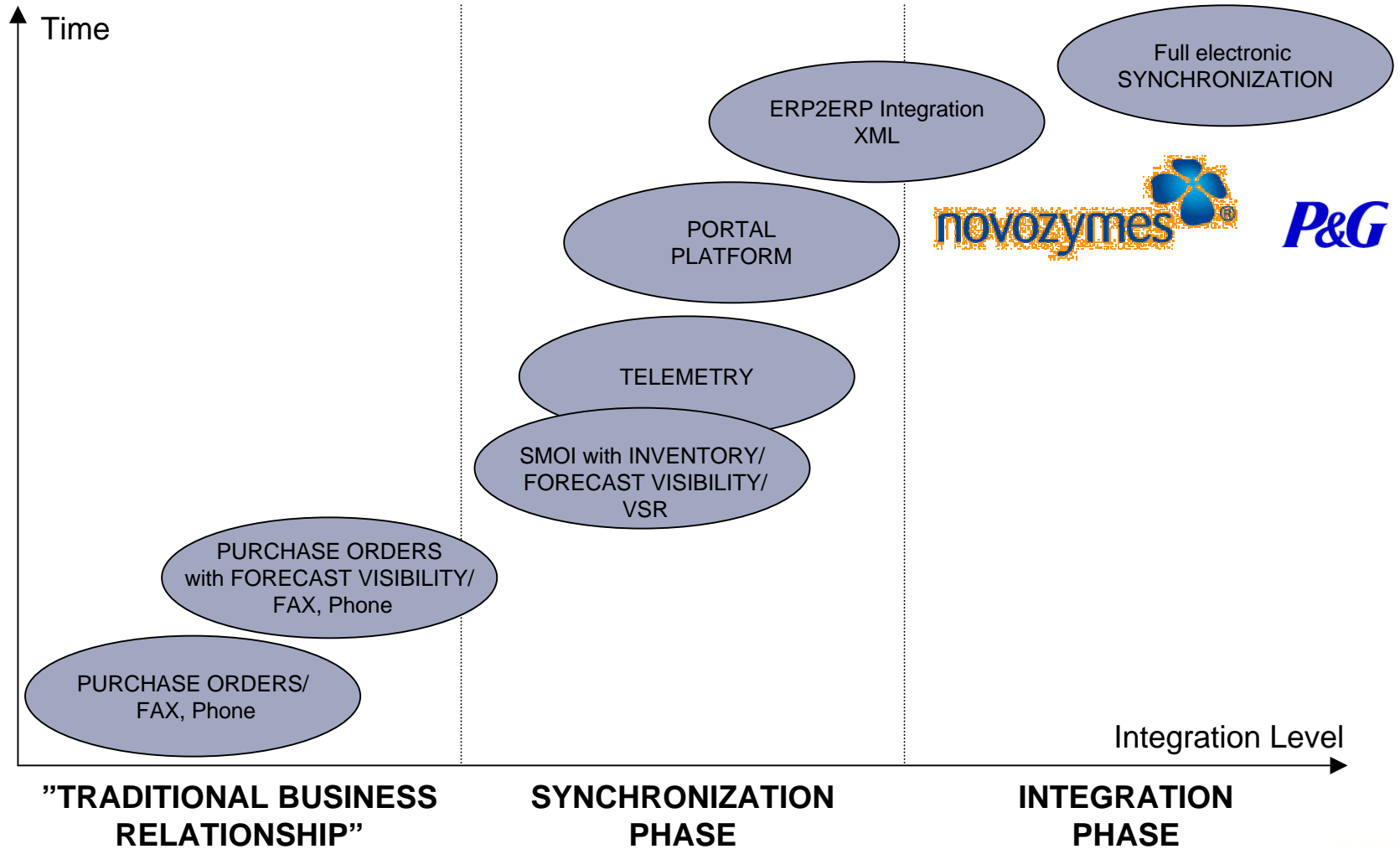


PARTIALLY
RECOVERABLE IN
SYNCHRONIZATION
PHASE
(DEMAND SIGNALS)

Raw Materials &
Processing Costs

Planning, Processing,
Replenishment Optimizations

P&G and Novozymes

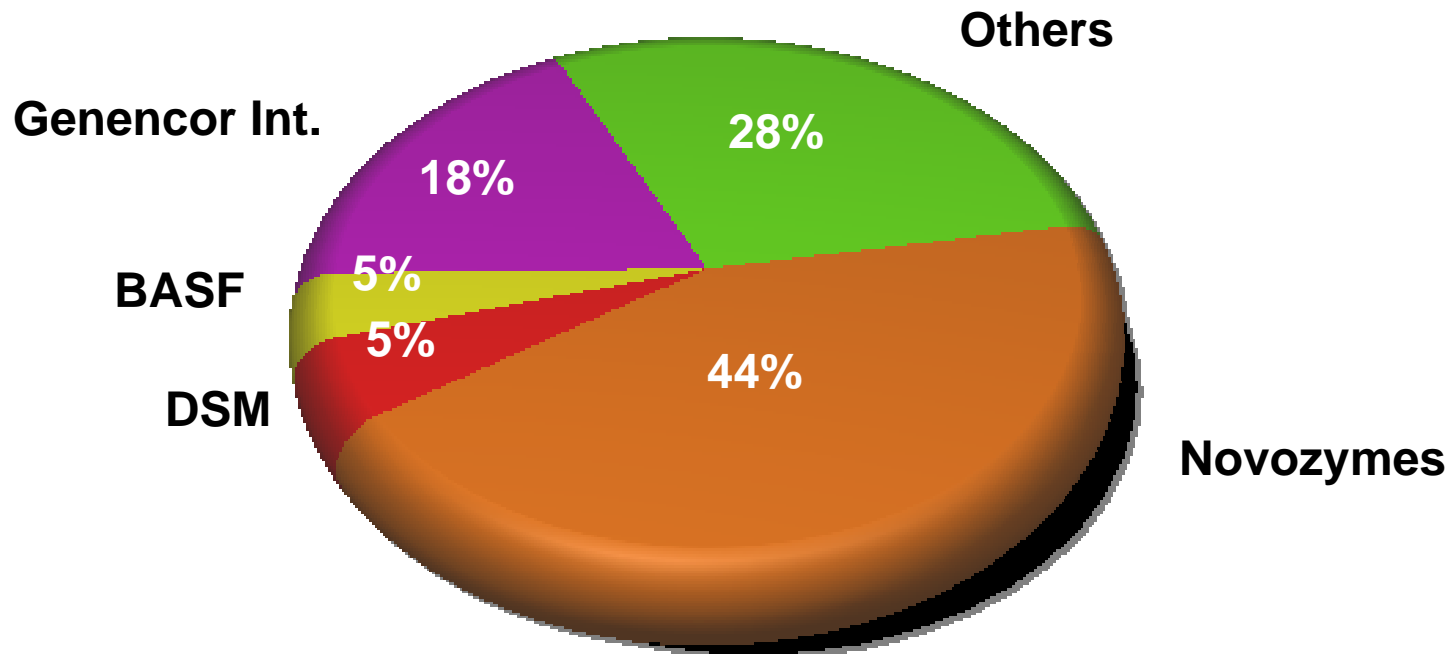


Undisputed world leader in enzymes



Total market value 2004: DKK 12.8 billion

Around 4,000 employees worldwide
Approximately 2,100 in Denmark



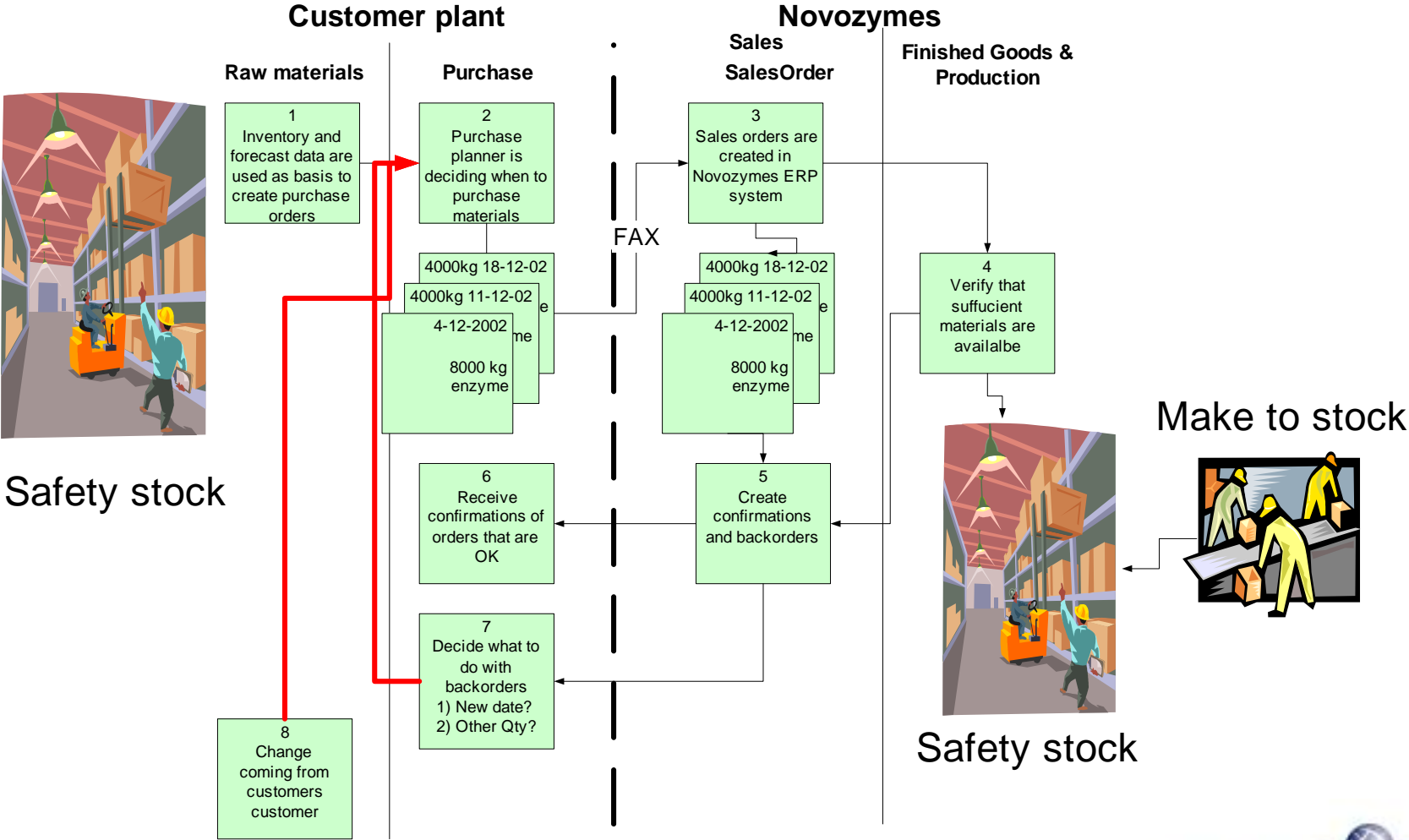
Source:
Novozymes' estimate 2004

Why this project is important to Novozymes - Our Supply Chain Challenge

With manufacturers

- Many product variants from biotechnical complex production process
 - Production time is up to ten weeks – varies from product to product. A fermented process.
 - Products are strategically important to our customers
 - Customers are different in size and internal organization
- y
- ity is critical to customers
- nternally and from market to reduce inventories

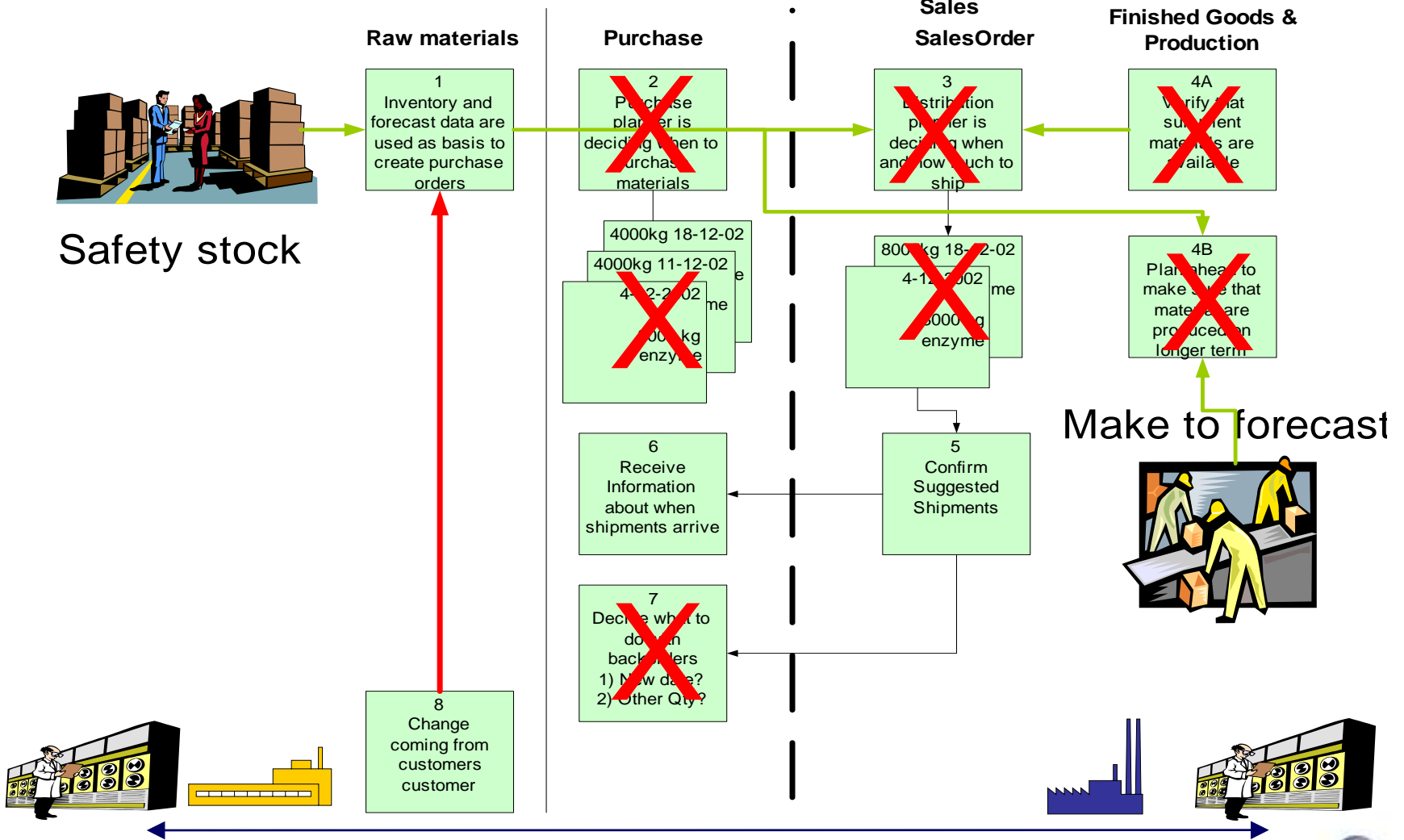
Order handling process



Automated VMI process

Customer plant

Novozymes



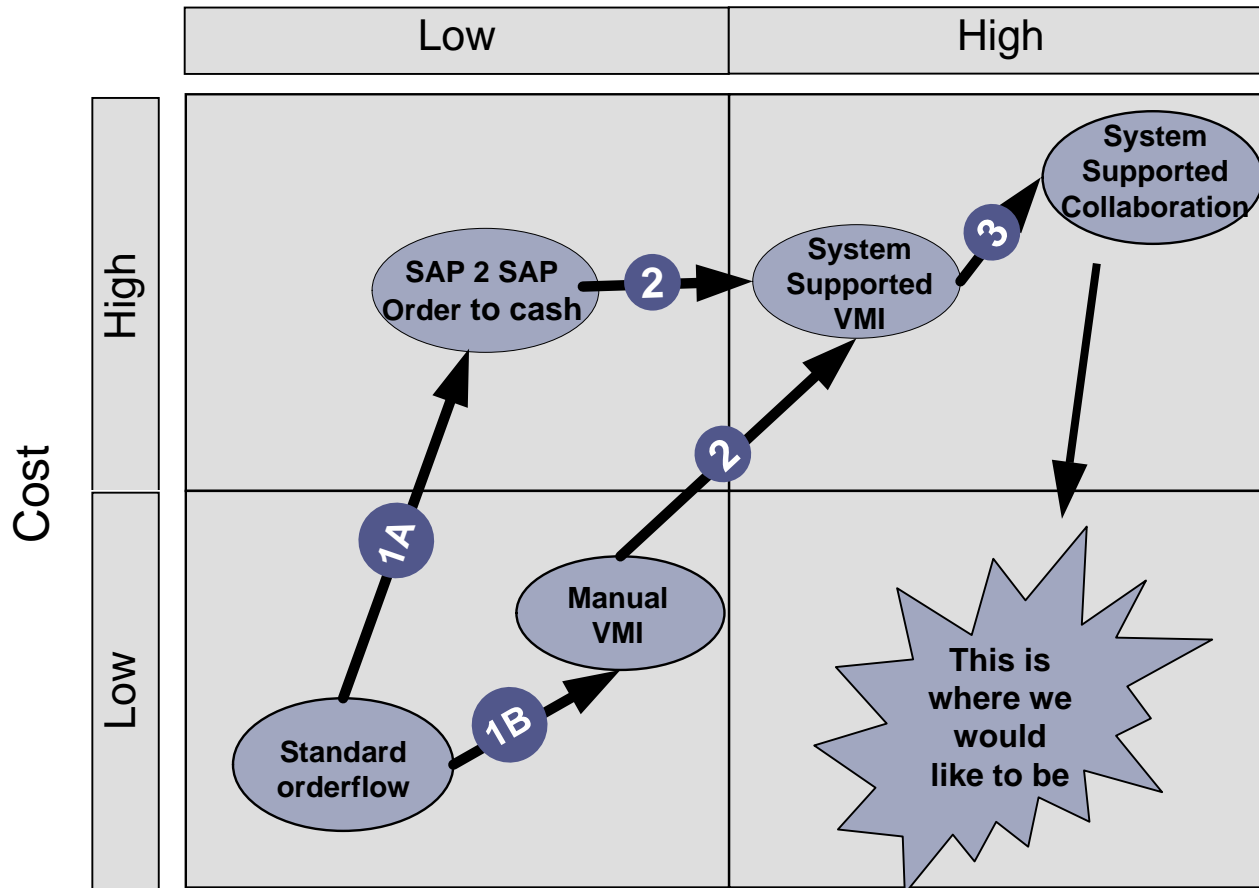
The Benefits

- as experienced in pilot and roll out

- Admin - 20%
- Stock – Reductions achieved in the chain
- Transportation – optimised.
No more rush orders and FTL shipments
- Operated within confidence window
- Positive impact on Product Availability

Road Map – as experienced by Novozymes

Benefit



Potential Risk :
Benefits \leq IT cost

Our opportunity

- Scaling usage across our relationship
- Share experience
- Scaling with more trading partners
 - Lower costs and ease of adoption through more standardisation