



## Online Manufacturing – Procurement advantages in series

» The future procurement of serial parts «



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## Introduction

Businesses involved in serial production are in an unprecedented situation with respect to procurement. Uncertainty and crises create **difficult conditions** and make **even short-term planning often impossible**. At the same time, companies need to **realign their activities to keep pace with digitalization** and **respond to constantly changing competitive situations**.

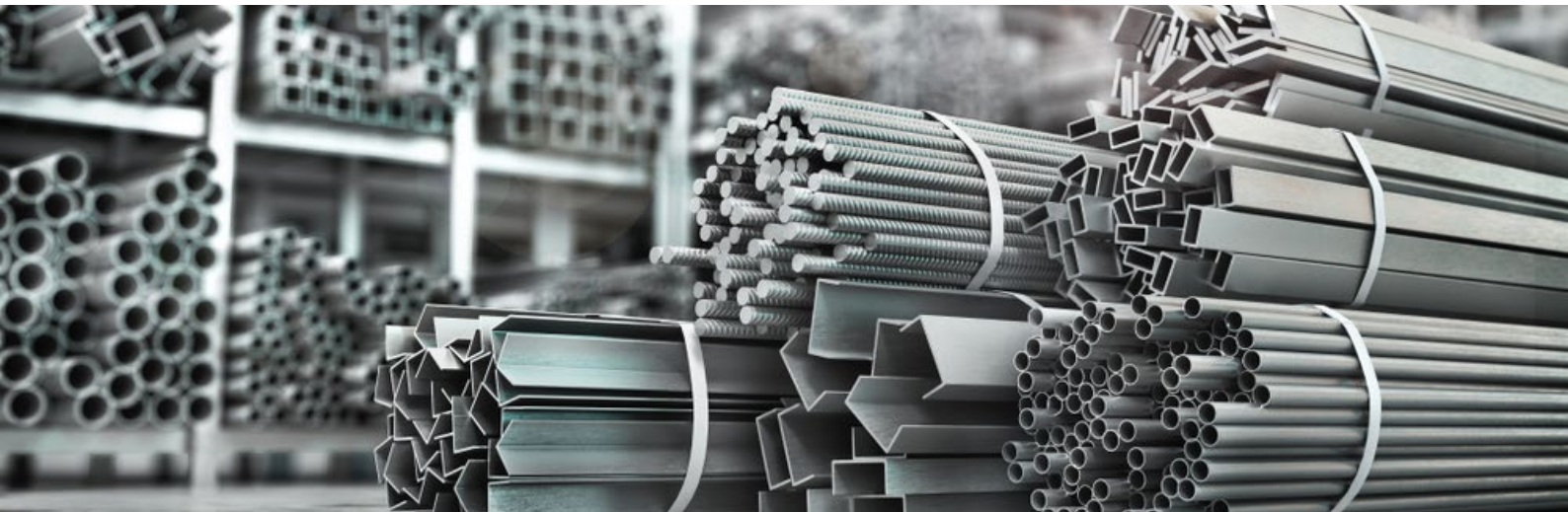
Businesses are thus subject to multiple stresses due to

- ✗ Global supply change disruption
- ✗ Inflation and rising energy costs
- ✗ Material shortages
- ✗ Pressure from competition and digitalization



These demands require not only a balancing act between disciplines, but also top performance from manufacturing companies.

So what are the reasons for the challenging conditions? Despite ongoing crises, demand for custom parts is still high. **However, in many places there is a lack of raw materials.** And while the procurement crisis has been in full swing for many months, the coronavirus crisis and the consequences of the Russia-Ukraine war have had an additional negative impact on international supply chains and trade flows.



As a consequence, **prices for raw materials are rising.** Added to this are **exploding energy costs.** In combination, these factors **also affect the prices for material traders and contract manufacturers.** The conditions for industrial buyers have thus become extremely challenging. Many manufacturers of custom parts can no longer offer their customers stable prices for an extended period, resulting in much shorter periods of validity for their quotes. With quotes valid for just 24 hours, a quite common phenomenon today, **planning for buyers becomes nearly impossible.**

When procuring series components, **reliability through long-term availability, consistently high quality and stable prices** is indispensable – especially in times of increasing competitive pressure in the wake of digitalization. Price increases have an even greater impact on large series.



The **production and delivery problems of conventional contract manufacturers** make producing companies ever more aware of how dependent they are and inhibit the agility needed. In many places, a change in strategy is therefore taking place that involves a switch to **alternative procurement methods and sales markets.** Further, the substitution of raw and other materials is being increasingly examined – along with ways to make manufacturing processes more efficient. **One of the aims of changing strategy is to reduce dependence.**



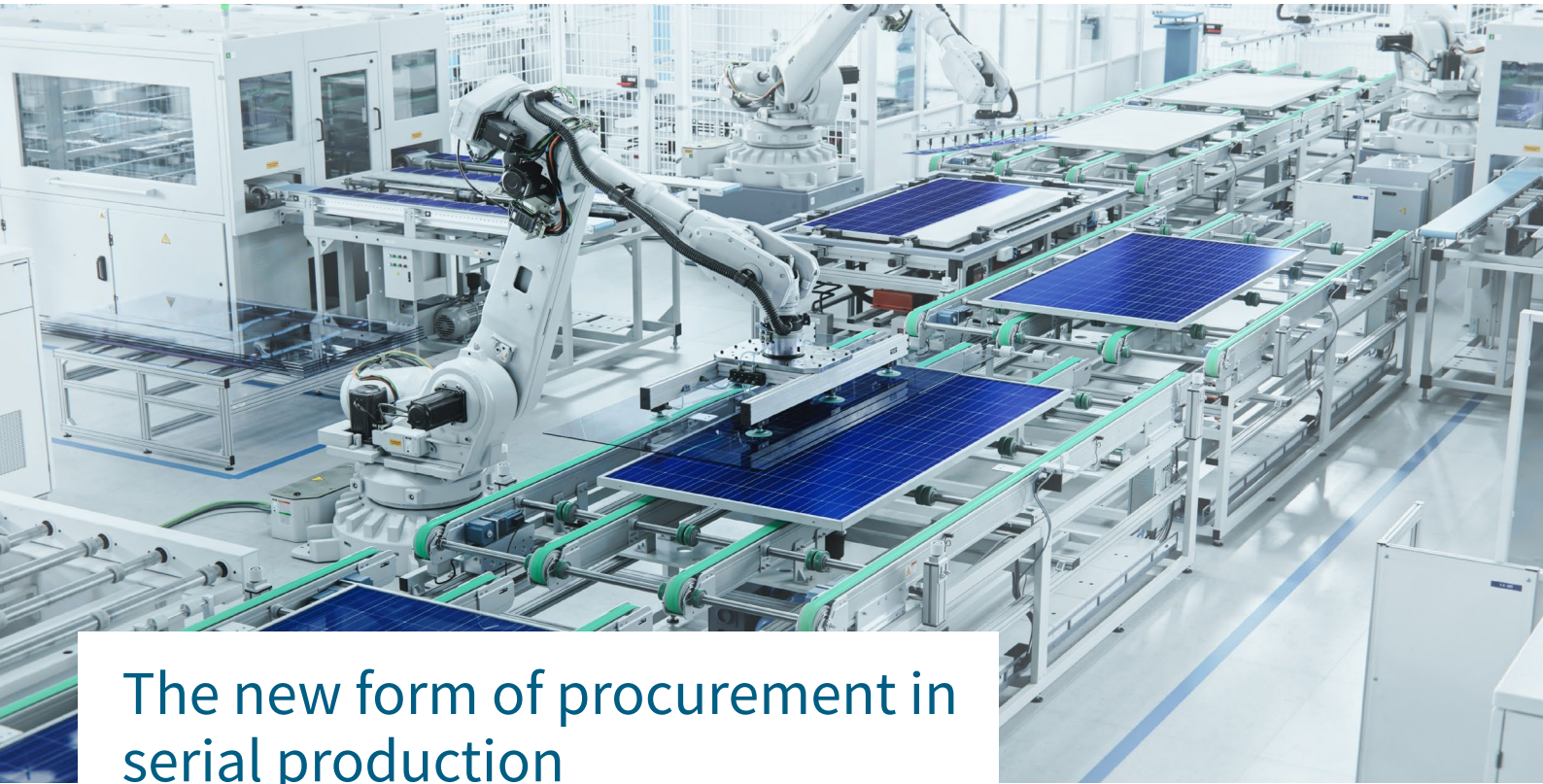


Particularly in the light of today's crises, the major disadvantages of conventional procurement processes such as dependence on suppliers, cut-off supply routes and supply bottlenecks became clear. While conventional contract manufacturing is reaching its limits, **Online Manufacturing becomes increasingly more important.**

In this modern form of procurement, there is a **much lower risk of supply shortages and delays.** With a large network of manufacturing partners, an Online Manufacturer can adapt more quickly to new circumstances – e.g. by reallocating manufacturing capacities.



Supply bottlenecks are minimized and challenging large projects, for example in CNC serial production, are possible with this approach. Businesses can implement digital procurement processes without having to develop their own digitalization know-how or incorporate the corresponding technologies. **Online Manufacturing thus enables flexibility, reliability and independence from individual suppliers or countries** and thereby contributes to the future-readiness of businesses.



## The new form of procurement in serial production

The concept of **Online Manufacturing bundles the strengths of various manufacturing specialists on a B2B platform**. Customers thus benefit from a broad range of network partners, manufacturing technologies and surface treatments – with everything from a single source. The **optimal manufacturer** can be identified for every requirement using AI-supported selection.

### For buyers in serial production, this model facilitates:



Reliable and flexible procurement in times of crisis



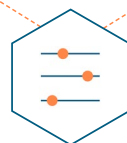
High quality due to data-driven QM system



Ecological responsibility and contribution to climate protection



Cost stability and advantages



Easy digital inquiry and ordering processes





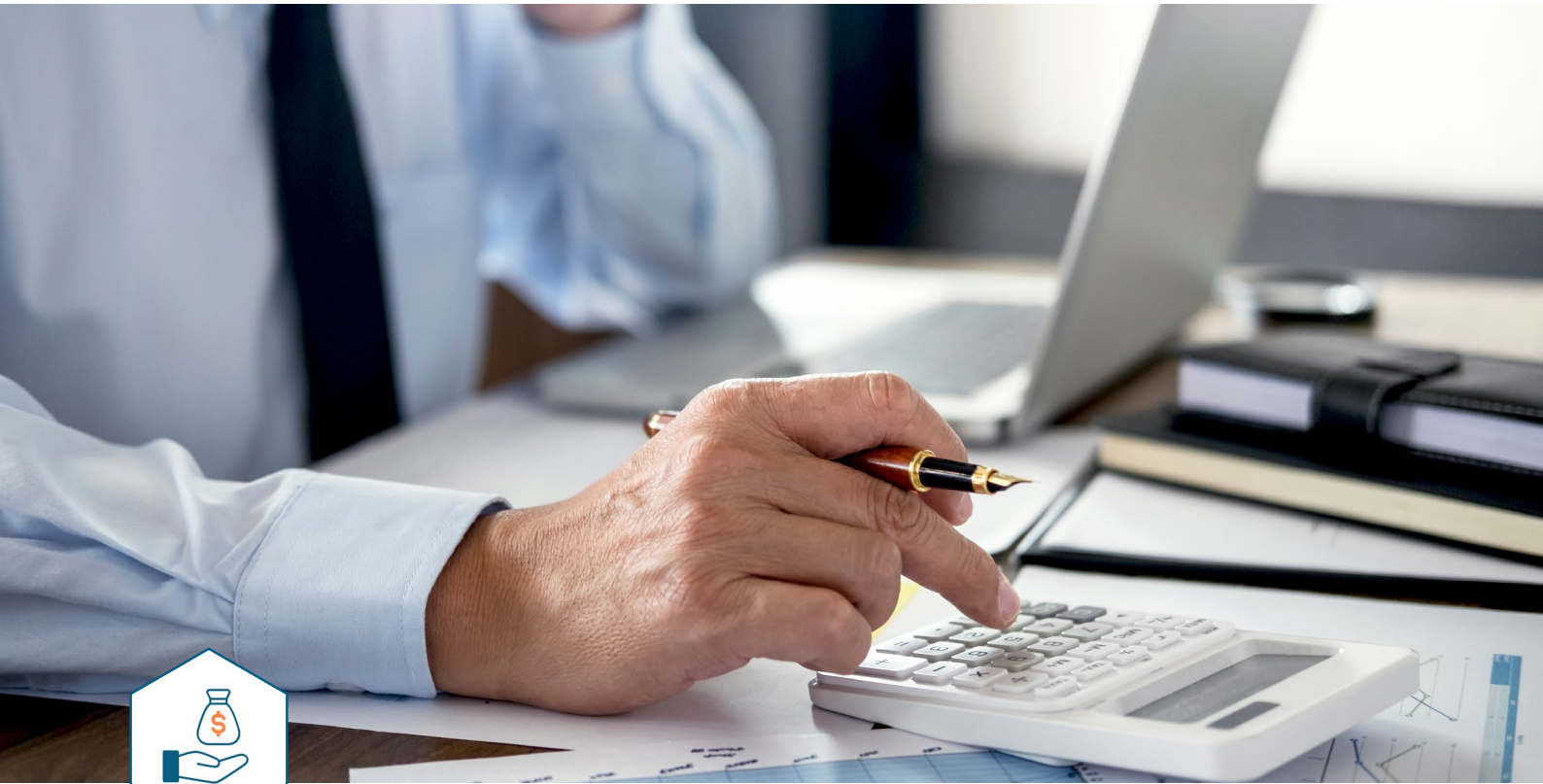
## Reliable and flexible procurement in times of crisis

The concept of **Online Manufacturing** can counteract delays in material procurement and supply problems and ensure **stable procurement processes**. As FACTUREE is always informed of the capacities of its manufacturing partners, orders can be assigned or reallocated according to the respective requirements. An exceptionally **large selection of materials** is constantly available, giving rise to a high level of flexibility and plannability.

**Online manufacturing** thus results in **independence from individual suppliers**.

FACTUREE can access a huge manufacturing network with over 2,000 manufacturing partners in nearly all areas of manufacturing technology – such as CNC machining, sheet metal processing, 3D printing, casting and forging processes and surface technology. As a result, components made using completely different manufacturing technologies such as sheet metal bending, cast and forged parts can be procured from a single source. Small and large serial production can be realized as well as prototyping projects. Due to virtually unlimited production capacities, the Online Manufacturer **can react to new developments much more flexibly and reliably than individual manufacturing companies**.





## Cost stability and advantages

Online Manufacturing also has clear advantages with respect to costs, which play an especially important role in serial production. A B2B manufacturing platform is able to bundle inquiries from different customers and thus achieve higher order volumes than an individual customer. Moreover, **AI-supported selection** in particular and the **comparison of highly specialized manufacturers** with the suitable machines and materials in stock yield **significant cost advantages**. This has a positive effect on the quoted prices. **At FACTUREE, price increases are not passed on to customers** – often at the expense of its profit margin – in order to give them **planning security**. Prices are adjusted to rising material costs only as an absolute exception. Through the smart selection of manufacturers, FACTUREE is able to offset market influences. In addition, the Online Manufacturer is in a good negotiating position with its partners.

**FACTUREE gives an offer validity of 14 days, which can be maintained even in a tense market situation.** After receipt of the inquiry, the **quote is often sent the same day – but guaranteed within 48 hours.**







## High quality due to data-driven QM system

The advantages in terms of flexibility and price do not come at the expense of quality – quite the opposite. More than **15,000 machines** are constantly available in the **FACTUREE network** for procuring parts. For each project, FACTUREE uses **AI to select the most suitable manufacturer with respect to quality, price and delivery time**. This smart selection process reduces complaints to a minimum, as it ensures that the project is fulfilled by the most suitable provider – a key aspect, especially in serial production.

All manufacturing partners are subject to a **continuous data-driven, ISO 9001 certified quality management system**. Logistics partners are also inspected and selected based on their reliability. During the entire project, **FACTUREE is the only contact and contract partner involved** and is fully responsible for reliable delivery and the quality of the parts.





## Easy digital inquiry and ordering processes

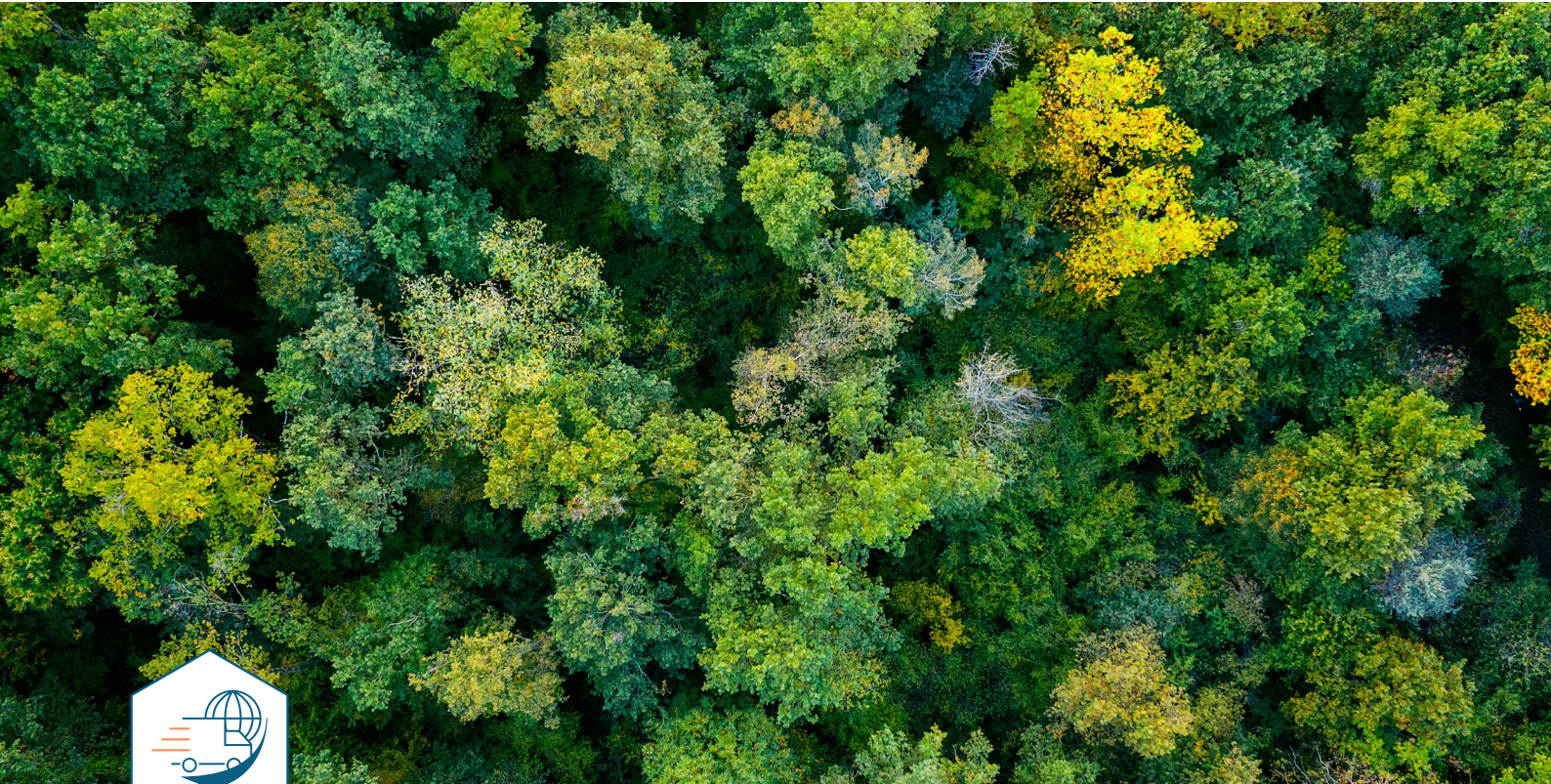
Simplicity is the clear focus for procurement of the future. The **inquiry process at FACTUREE is semi-automated** which ensures **fast quotation**.

Thanks to a special request tool, inquiries can be made with just a few clicks. This gives FACTUREE a considerable advantage over instant pricing suppliers: The tool collects all available information submitted by customers, e.g. in the form of CAD data and technical drawings in PDF format. The **extremely fast inquiry and capturing of the drawings by FACTUREE significantly relieves the burden on customers**. In order to obtain a price from competing instant pricing tools, all relevant information has to be entered manually into an input screen by the person making the request, which is a highly time-consuming process

Receiving a quick quotation thus comes at the expense of greater effort from customers, whereas FACTUREE takes into account and optimizes the time the user actually needs for the inquiry.







## Ecological responsibility and contribution to climate protection


FACTUREE also assumes responsibility for the environment. **The express delivery of goods throughout Europe is completely climate neutral, as all CO<sub>2</sub> emissions arising from shipping are fully compensated.** This is done in cooperation with South Pole, one of the world's leading service providers for climate protection projects, supporting projects that are verifiably effective (Gold Standard certified). One example is the Prony climate protection project that builds wind farms in New Caledonia

### The Prony Climate Protection Project: **Wind Farms for New Caledonia**

- ✓ 116 wind turbines with an annual production of 40 GWh
- ✓ 36,000 tons of CO<sub>2</sub> saved per year
- ✓ demonstrably effective (Gold Standard certified)



Gold Standard

[Learn more about the Prony project](#) 







## In practice: Components pick up speed with GHOST-Bikes

The following example from the bicycle sector highlights the **benefits of Online Manufacturing in serial production**.

GHOST-Bikes was founded more than 25 years ago in Waldsassen in Bavaria and has grown into a global business with an annual production of more than 150,000 bicycles. In addition to gravel and mountain bikes, its portfolio also includes e-mountain, e-city and e-trekking bikes.

**GHOST**

Since the coronavirus pandemic, the world has seen a real boom in bicycles, especially power bikes. However, e-bikes require a complex design with a high level of precision. According to GHOST-Bikes, the **complexity of the products in the sector is steadily increasing, especially due to the dynamic in the electric bicycle sector**. Demand is increasing at the same time. The company is therefore **always looking for optimized production methods that combine more efficiency and lower costs with superior quality**.

GHOST-Bikes opted for Online Manufacturing with FACTUREE and has various milled and turned parts, bent sheet metal parts and custom parts made in serial production. The components supplied for GHOST-Bikes include **bent parts for securely fastening the battery to the bicycle frame**. The Online Manufacturer also supplies **a forged part that serves as a connector between the kick stand and the bicycle frame**. The components also enable the bicycle company to develop and implement technical solutions in prototyping in a short timeframe.



For GHOST-Bikes, one of the crucial criteria was the fact that FACTUREE can offer many different processes – from turning and milling to sheet metal processing and forging – from a single source and in serial production. Another key aspect was that the Online Manufacturer guarantees very short procurement times and offers all required manufacturing techniques. **With its online network model, FACTUREE is in a position to have custom components produced by specialized providers with a high level of precision and to deliver them quickly.**



All components were produced in a short time, featuring high quality. Ultimately, the pricing and support were the decisive factors.





## FACTUREE – The Online Manufacturer

Berlin-based cwmk GmbH operates under the FACTUREE brand name as the first Online Manufacturer. The company aims to facilitate the modern procurement of manufactured parts for its customers through digitalization, automation and networking.

**Customers from the sectors:**

- ✓ Mechanical and plant engineering
- ✓ Medical technology
- ✓ Robotics
- ✓ Automotive
- ✓ Aviation and aerospace

Leading industrial companies, SMEs, research institutes and universities are among the satisfied customers. FACTUREE operates throughout Europe and has a steadily growing number of customers in other European countries.

From industry to top international research – **more than 15,000 satisfied customers**







## Conclusion

In procurement, Online Manufacturing is becoming increasingly important as an alternative to conventional contract manufacturing. Manufacturing models involving dependence on a single supplier no longer fit the times. The **Online Manufacturing model meets the needs of manufacturing companies that have to react ever more flexibly to changes in the market – not only in times of crisis.** Online Manufacturing supports **sustainable increases in efficiency** and is an **important component in implementing Industry 4.0** for companies. Networking is taking hold in industry not only in the technical sense, but also applies to the collaboration between different stakeholders. The **future of procurement belongs to platforms and ecosystems.**

FACTUREE, with its network concept and strict criteria for selecting its partners, makes very diverse and highly qualified manufacturing capacities available. The Online Manufacturer offers manufacturing companies **state-of-the-art procurement of series parts**, giving them **plannability and lower costs.** In combination with the **high product quality**, this results in a decisive **competitive edge.**



Do you too want to benefit from state-of-the-art procurement processes?

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