

Procurement and logistics key terms and definition sheet

Supply Chain Services (SCS)

Dimension Data's specialised in-sourced Supply Chain Service solution that provides central procurement and logistics for ICT equipment to enable clients to make multinational and cross-border business transactions.

Procurement

The acquisition of goods and/or services at the best possible total cost of ownership in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals.

Source

Global sourcing is a procurement strategy aimed at exploiting global efficiencies. While a global sourcing process is usually initiated as a mechanism of exploiting gross-geographic arbitrages, it is now a standard step. Global sourcing advantages extend to identifying alternative supplier sources.

Ship

Dimension Data's global procurement and logistics function currently uses three carriers to ship goods. UTi is a freight forwarder and used for the transportation of heavy cargo, DHL is a courier company and used for smaller shipment or for urgent shipments, FedEx provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. FedEx offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand.

Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 275,000 employees and is positively focused on safety, the highest, ethical and professional standards and the needs of their customers and communities. These relationships are particularly important in our relationship with Cisco where goods are collected from nine Cisco origins worldwide. Exporting these goods from these origins is as important in the supply chain as the import at final destination and has its own set of documents and procedures that have to be complied with.

Clear

Customs Brokerage is a profession that involves the 'clearing' of goods through customs barriers for importers and exporters (usually businesses). This involves the preparation of documents and/or electronic submissions, the calculation (and usually the payment) on behalf of the client of taxes, duties and excises, and facilitating communication between the importer/exporter and governmental authorities.

Procurement and logistics models:

- **Central model:** The opportunity is hosted/managed out of one central country/region. The region place orders onto Supply Chain Services for procurement and logistics services. Supply Chain Services then procures the equipment globally and ships it to the destination countries

- **Central – Logistics Only model:** Opportunity is hosted/managed out of one central country/region. The region buys equipment directly from the vendor and consolidates the equipment in their local warehouse. A purchase order is placed on Supply Chain Services for logistics only services. Supply Chain Services collects the equipment and ships it to the destination countries
- **Global Orchestration Local Delivery (GOLD) model:** This is a local to local model. Example: the client in the UK places an order onto Dimension Data UK for delivery within the UK. Dimension Data UK places an order for procurement and logistics services onto Supply Chain Services. Supply Chain Services procures the equipment globally and ships it to the UK
- **Track Only model:** Supply Chain Services only tracks the orders. No procurement and logistics services are provided.

Track

An online (Web-based) portal/tool that provides users online tracking information regarding orders placed on Dimension Data Supply Chain Services.

Importer of Record service

Supply Chain Services have obtained the services of a trading company to provide an Importer of Record service in various countries.

Trading company

A firm that does not get involved in the owning or storing of equipment but provides the necessary service for companies to facilitate deals.

Inco Terms

- **DDP (Delivered Duty Paid - named place of destination) Inco Terms 2000:**
“Delivered Duty Paid” means that Dimension Data Commerce Centre (trading as Global Procurement and Logistics) delivers the goods to the buyer, cleared for import and not unloaded from any arriving means of transport at the named place of destination. Contact the Dimension Data Supply Chain Services team for further details
- **DAT (Delivered at Terminal) Destination airport Inco Terms 2000:**
Dimension Data Commerce Centre (trading as Global Procurement and Logistics) will move the goods to the destination airport and hand over to the consignee’s customs broker. The consignee’s customs broker will then perform the customs clearance process and local delivery. Contact the Dimension Data Supply Chain Services team for further details

SMART

Standard manual for applied rates and tariffs.

Dimension Data Direct

A global web-based eProcurement solution that enables clients to purchase products and services from Dimension Data.

A private trading exchange that allows clients, vendors and Dimension Data to collaborate electronically.



Integrated Client

Clients who receive quotes and submit purchase orders electronically from an external procurement system (eg: Oracle iProcure, PeopleSoft ePro, SAP EBP, Ariba, PerfectCommerce, etc.)

Hosted Client

Clients who leverage Dimension Data’s FREE e-Procurement tool mapped to their way of doing business.

Self Services Purchase Order

Client submits their purchase order electronically either via an e-Procurement system or by entering into Dimension Data Direct.

Collaborative solution

Dimension Data Direct allows the client and Dimension Data experts to work on documents together.

e-Procurement systems

A tool that allows a company to standardise their procurement to be in line with their authority matrix, contracted pricing and purchasing guidelines. It further allows them to gain visibility and limit rogue off contract purchasing.

Preferred Partner Programme (PPP)

The Dimension Data Preferred Partner Programme has established a consolidated network of approved partners who can deliver, at a minimum, multi-vendor capabilities in geographies where Dimension Data does not have a direct presence.