

MarketMaterials – an evolutionary journey to reimagining Inventory Management, Master Materials, and MRP Sourcing, in a content-based sourcing environment

In this short document we will set out our phased approach to addressing the capability areas in the title above, as a further extension of our Enterprise Marketplace Platform that's transforming catalog sourcing and revolutionising free-text ordering for an increasing number of global organisations.

Let's start with Why?

The Strategic Challenge associated with Misaligned Technology Solutions

Enterprise organizations face a fundamental disconnect between their procurement technology infrastructure and operational reality. Traditional ERP systems, designed for complex manufacturing scenarios, often create systematic inefficiencies when applied to modern procurement challenges:

- **The Cost Paradox:** Managing consumable inventory often costs more than the value of goods purchased, while production materials remain trapped in fixed-price procurement models that ignore market opportunities
- **The Integration Gap:** It remains virtually impossible to link existing ERP material masters with dynamic vendor catalogs, fragmenting procurement operations and limiting strategic visibility
- **The Innovation Barrier:** Organizations struggle to capture continuous cost optimization opportunities for core business materials, largely depending on manual procurement team intervention rather than intelligent automation

We believe that creating a solution that addresses these issues and that builds on the already game-changing MarketPlace and MarketSource functionality of our platform can deliver significant benefits in the following areas:

1. **Financial Performance:** Organisations can achieve operational cost reductions of up to 30% through duplicate order elimination, inventory optimisation, and competitive MRP sourcing that transforms routine replenishment into strategic competitive advantage
2. **Operational Excellence:** The elimination of errors associated with manual inventory management across disparate stock locations, through the adoption of mobile-enabled applications delivering simplification and efficiency gains, as well as automatically creating comprehensive audit trails to ensure effortless regulatory compliance across this key procurement channel
3. **Strategic Capabilities:** The establishment of a flexible architecture that adapts to organisational evolution while intelligent automation continuously evaluate market alternatives, ensuring optimal pricing and supplier capabilities for all material

requirements will deliver both 'hard' and 'soft' savings opportunities (in the business and in Procurement), whilst significantly reducing the administrative 'heavy lift' in both areas.

Our Approach

MarketMaterials will operate as an integrated module within our comprehensive Enterprise Marketplace Platform, while seamlessly connecting with our established MarketPlace and MarketSource capabilities.

Our phased approach over the next 12 months will focus on:

Stage 1 – Inventory Management for low-value items in distributed stock locations

Rather than forcing low-value consumables through complex manufacturing systems, this initial module creates a specialised inventory management capability designed to work across any low-value material type. Our first use case is for **Genentech** in the US, across its San Francisco campus. The campus comprises over 40 buildings housing scientific research laboratories and manufacturing operations, as well as various business functions. From a Lab Supplies & Consumable perspective, currently purchased through the Axiom MarketPlace platform, there is the need to manage over 2,500 different materials across 200 individual stock locations. Our MarketMaterials module provides an AI-powered management, tracking and replenishment solution that:

- Automatically monitors inventory levels across all store locations
- Triggers replenishment requests (through the MarketPlace or MarketSource function) when inventory falls below defined thresholds
- Tracks the fulfilment of replenishment requests through various methods
- Maintains an audit trail of all replenishment activities
- Streamlines the inventory management workflow

This solution allows for:

1. Master Material Creation and Management through user defined material types and categorised into material groups
2. Vendor Material creation to link Master Materials (MMs) to existing marketplace products and services
3. Material permissions to allow control over what inventory & materials different users have access to at different stock locations
4. The ability to create virtual twins of all stock locations with user defined location types to capture different functional locations e.g. freezers or cabinets and the necessary information about them e.g. temperature or number of shelves
5. The ability to create and manage serialised and unserialised inventory in bulk through easy-to-use spreadsheet-like digital interfaces. Minimising interaction time for users

6. The ability to create and respond to inventory requests from users in real-time
7. The ability to create inventory transfers with multiple transfer line items
8. The ability to manage partial picks and places.
9. The ability to set and track 'expiry' dates and 'best before' dates on serialised inventory to monitor wastage
10. Cycle counting
11. The ability to create picklists of multiple transfer order items and assign these to individual users to undertake
12. Mobile-enabled interface via an iPad and iPhone app to view and manage inventory at the point of remote storage
13. Support for barcodes for materials/locations/inventory/vendor materials to allow for easy management of entities via barcode scanning in the app
14. Ability to set and manage refill thresholds, refill methods and refill strategies
15. The creation of automated replenishments (transfer orders or purchase orders) based on refill thresholds/methods/strategies
16. Custom inventory statuses and units of measure to allow for the creation / building business logic as required
17. Full audit and transaction logs captured in real-time order to drive transparency and compliance measurement

Whilst this is currently a specific use case for **Genentech**, there is already a plan to adopt this more broadly across the wider Roche organisation, both in the US and across Europe. We have also been talking to selective clients about this capability and are having some initial conversations with organisations in the MRO space in the Oil, Gas and Mining sectors, and well as two other Life Science / Pharma organisations that struggle with the same challenges.

On-going development phases

As we continue the development of the MasterMaterials module we will be tackling other related use-cases across the Master Materials and MRP Sourcing environment. For instance, the next stage of development will see the automated Master Material and Vendor Material creation for items purchased through the MarketPlace or MarketSource, enabling organisations to maintain clean, standardized material databases that supports efficient engineering workflows, informed decision-making and allows the reimagining of MRP sourcing (as a third stage).