



Business Case: Collaboration Across the Supply Chain

Business Case: Agri-Fab, Inc.

Synopsis:

An established high quality lawn and garden manufacturer in Illinois transforms production processes, improves supplier communication, improves inbound delivery quality and drives lower raw material inventories when it selects Order Logistics to deploy a collaboration web based solution to manage critical inbound supplier forecasts, orders and shipments.

Location: Sullivan, Illinois

Industry: Lawn and Garden Products

Focus Area: Collaborative supplier sourcing management to facilitate company-wide lean manufacturing initiative

Technologies: Solve(IT) 2, (.NET, XML, SQL Server 2005, Web Services), SoftBrands evolution ERP

URL: <http://www.agri-fab.com>

Customer Background:

For nearly three decades Agri-Fab has been manufacturing quality products for the lawn and garden as well as fabricating products for various industries. Today Agri-Fab offers the most extensive line of attachments for lawn and garden tractors on the market.

Business Need:

Agri-Fab business processes are extremely collaborative, involving many different employees and suppliers. To support them, Agri-Fab utilizes SoftBrands' evolution™ as its ERP backbone and is fully confident in the ability of the platform's business process capabilities. evolution™ is an enterprise software solution for manufacturing companies that want to leverage their ERP and CRM applications to optimize their business processes. To further enhance their effectiveness, Agri-Fab felt that it needed additional technologies to support and enhance the level of external communication and collaboration among its suppliers, production planners, manufacturing and purchasing departments.

Agri-Fab felt that implementing an external communication technology solution would help the company communicate more effectively with suppliers. While the calculation of material requirements through the ERP was reported as excellent, Agri-Fab communicated the requirements externally to suppliers by phone, fax or e mail, often with multiple and/or manually updated changes as the production schedule was revised. Supplier fulfillment metrics were not formally tracked or reported. As a result raw material inventory and costs began to increase. Agri-Fab's management reacted by implementing a lean manufacturing imitative which required improved discipline from external suppliers and improved visibility to supplier order fulfillment much earlier in the process.

Solution

Goals and Objectives:

Create collaborative communication with internal and external stakeholders via the web to the supplier forecast, order release, order confirmation and the shipment processes related to raw material supporting production.

Create a platform and portal for detailed, real time reports supporting the supply chain and relevant transportation business processes to help the company identify cost and service issues with the supply chain operations.

Create real time visibility and alerts to supply chain exceptions much earlier in the process.

Create visibility to inventory in transit allowing the company to reduce on hand raw material inventories

Solution Components

Agri-Fab Integration:

Excellent detail and information was available through SoftBrands' evolution™. A seamless integration using a series of file exchange methodologies was completed with Order Logistics and the Solve(IT)2 platform. This integration is highly repeatable for future expansion or other stand alone projects. This data can be used in future projects where collaboration of information is needed between internal systems and external systems.

Transit Gateway:

A study was completed to determine which Agri-Fab carriers are used and which can utilize the Transit Gateway. The Transit Gateway is a web scrapping technology that allows the framework to capture transit information for Agri-Fab shipments completely electronically without manual processes. This integration tool has significantly improved the visibility of shipments to the company.

Supplier Collaboration and Management:

The installation team studied existing business processes and how supplier relationships are managed and created the process and extend the framework to support both present business processes and industry stated best practices capturing supplier activity, demand planning, sales forecasting, and other related information used to measure product sourcing to complete goods at final destination.

Rate Management:

The installation included importing all contracted transportation rates and carrier contract data to develop real time routing guides and other supporting processes to support all supply chain activity. The planning included processes to support a transportation management system to be used by all parties involved to ensure compliance of any routing rules developed.

The technology framework was extended to support the transportation management process, which would include capturing of supplier orders, integration with internal and external load optimization tools, milestone, and carrier performance processes. By extending the framework to support transportation management, the entire supply chain process will have been captured in the framework.

Freight Payment:

The platform was also inclusive of carrier settlement utilizing the framework to manage freight payment process, this will allow for the proof of delivery verification as the transportation management information is directly available in the framework.

Benefits:

- Real time visibility and alerts to order exceptions and parts in transit is a key enabler for the lean manufacturing initiative.
- Reduced raw material inventories.
- Improved production planning without part fulfillment delays.
- Reduced transportation costs as the system selects the correct carrier to support the shipments.
- Agri-Fab can better leverage contracted rates to be control future transportation costs.
- Real time reporting and KPI management process will give organization a more pro-active approach to addressing production, purchasing, or order fulfillment issues as they happen instead of much later, which greatly interrupts other daily operations.

- Ability to correlate related charges and costs in the procurement and order fulfillment process, this creates opportunities to change or continue processing best practices.
- Creates environment for continuous improvements, create ability to through business activity data measure key aspects of the business.
- Ability to further optimize Agri-Fab's business processes by delivering joint solutions through continued partnership with SoftBrands' evolution™