

## EDI order transmission— investing in e-procurement



### Schloemer

#### Location

Recklinghausen, Germany

#### Industry

Automotive supplier

#### Business challenges

- Set up a secure EDI link to automaker Ford in just three weeks
- Interconnect link with third party required

#### Solution

Sterling Collaboration Network<sup>SM</sup>

#### Benefits

- 90 percent reduction in handling time by automation of processing
- Order processing time reduced from 3 hours to 15 minutes

*“With Sterling Collaboration Network, we have reduced the time to process orders from 3 hours to 15 minutes. By automating manual processing the time gains brings with it huge cost savings.”*

Sven Kuhnert,  
Head of IT and Logistics,  
Schloemer

### Schloemer

#### Customer background

Founded in 1900, Schloemer progressively expanded to become one of the leading wholesalers of industrial safety products, pipe technology, conveyor systems and industrial equipment in Germany. Initially acting as the key supplier to its home region's traditional mining industry, the company began some 50 years ago to mark its transition from a trading company to an innovative services business. The company's 106 employees, 30 of whom are dedicated to production and processing, reported annual turnover 37 million euros in 2007.

Today, Schloemer acts as the link between manufacturers and buyers of technical and industrial safety products, providing the smooth, reliable and efficient handling of business transactions for over 2,000 customers in heavy industry, chemicals, energy, mining, local government, local utilities, services, manual trades, mechanical engineering, automobile manufacturing, recycling and waste management.

In recent years, Schloemer has invested heavily in its e-commerce and e-procurement developments. The

company is committed to providing its customers with a single, reliable partner who is responsible for handling the entire set of electronic ordering processes and requirements across the supplier base. This approach alleviates risks associated with a fragmented value chain, spanning multiple suppliers and allows customers to concentrate fully on their core business.

However, e-procurement conducted in its traditional form poses sizeable challenges for companies like Schloemer. From a logistics and order-processing standpoint, every project (as well as its underlying processes) must be handled and adapted according to customers' individual requirements, which often means with great rapidity. This can only function up to par if incoming orders are able to flow into the system automatically. Projects of this kind often derail because, even today, many companies across industries are struggling in their ability to process and send data electronically.

By contrast, the automotive manufacturer Ford is no stranger to advanced electronic document interchange (EDI). The company was looking to implement a set of new

inventory processes for industrial safety goods at its German plants (Cologne and Saarlouis). Schloemer, one of several competing bidders, won the contract to take over the management of Ford's entire inventory stocking, management and dispatching processes. The industrial wholesaler was hired to handle inventory distribution of the industrial safety goods, supplying parts on consignment and ensuring that Ford consistently has sufficient levels of stock on hand.

### Business challenge

The foremost challenge Schloemer faced was to set up a customized order transmission system via EDI, meeting Ford's specifications in a period of just three weeks. The wholesaler was proficient in the exchange of EDI messages with other customers, but Ford's requirements were particular in nature. Schloemer was required to handle all orders exclusively through a specific third party, and over an X.400 connection, or through a provider who was able to meet the requirements and safeguard the flow of data. For Schloemer, this meant finding a partner or a solution that would meet the requirements of transporting data in a required format and that additionally, would also be quick and easy to integrate.

### Solution

Schloemer overcame that challenge with Sterling Collaboration Network, an on-demand B2B integration platform providing secure connectivity and collaboration with customers and business partners. "There were several reasons for our decision to go with Sterling Commerce," explains Sven Kuhnen, who heads IT and logistics at Schloemer. "I'd been aware of the company's expertise in complex EDI projects for some time. Their excellent value for money, in combination with a solution meeting Ford's specific requirements, soon eclipsed other potential vendors' offerings." Sterling Collaboration Network is the central connecting element in the flow of electronic information and communication between Ford and Schloemer. A special adapter integrates the classic EDI-based system and converts incoming data to and from the required formats.

Sterling Collaboration Network serves as an EDI mailbox: messages are downloaded from the mailbox and integrated with Schloemer's ERP system, fully automating the entire order process.

### Key benefits

The savings potential created by Sterling Collaboration Network is enormous. Before the solution was installed, an employee spent three hours a day, on average, processing between 50 and 100 orders coming from Ford. Today, this process takes just 15 minutes. All employees are required to do is check and clear the messages that automatically run into the in-house ERP system. A 90% time savings has resulted from the application of Sterling Collaboration Network. By automating manual processing, the time gained brings with it huge cost savings.

And, there are plans to extend the solution to include other partners. "We now have the right tool for the job," says Kuhnen. "However, not all of our customers and suppliers are able to deliver data electronically. Nonetheless, with Sterling Collaboration Network we now have a solution to ensure that, and the potential savings are vast. We are confident that we can gradually convince our partners to go with this bundled solution."

Schloemer currently exchanges data electronically with some 25 customers, who account for approximately 40 percent of the company's business.

### About Sterling Commerce

Sterling Commerce, an AT&T Inc. (NYSE:T) company, helps companies optimise and transform their Business Collaboration Network to accelerate revenues and reduce costs. Sterling Commerce provides more than 18,000 customers worldwide with applications and integration solutions to connect, communicate and collaborate inside and outside their enterprise. More information can be found at [www.sterlingcommerce.co.uk](http://www.sterlingcommerce.co.uk).

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