

Total cost of ownership for B2B collaboration reduced by 90 percent



**Hirschvogel
Incorporated**

Location

Columbus, OH

Industry

Manufacturing

Revenue

\$55 Million

Business challenge

Automate and streamline B2B processes without high capital expense

Solution

- Sterling Commerce Managed Services™
 - Sterling B2B IntegratorSM

Benefits

- Provides instantaneous return on investment
- Removes burden on internal IT resources
- Improves visibility into supply chain

Hirschvogel Inc.

Customer background

Hirschvogel Inc. makes metal components for the automotive industry. The company was established in 1988 to support participation in the North American automotive market for the parent company in Denklingen, Germany. Hirschvogel Automotive Group is one of the world's top manufacturing specialists in metal forming and machining.

Business challenge

In 2007, Hirschvogel Inc. manually processed data to and from their ERP system, which was quite labor intensive. Therefore, when their parent company asked them to migrate to SAP as part of a global strategy, they were glad to participate. As part of that initiative, Hirschvogel Inc. needed translation services between EDI X.12 documents and SAP IDocs to enable automatic processing of e-commerce with their U.S. customers.

Hirschvogel Inc. had two options: the parent company could invest in additional in-house resources to manage and support B2B integration of multiple automotive standards and protocols or outsource the process to a trusted partner. Indeed, Hirschvogel Inc. wanted to implement the most cost-effective option to reduce total cost of ownership of B2B collaboration.

Solution

Hirschvogel Inc. outsourced their B2B collaboration to Sterling Commerce for several reasons. First, their return on investment was instantaneous. That's because the cost associated with Sterling Commerce Managed Services was 90 percent less than it would have cost the parent company to implement translation services for automotive standards and protocols. In fact, the

“The decision to outsource our B2B was simple because we knew the return on investment would occur instantly. The Sterling Commerce solution was 90 percent less expensive than our in-house option.”

Nico Schuetz,
Lead IT Technician,
Hirschvogel Inc.

hosted solution supports all data types or formats, including EDIFACT, which is an EDI standard in Europe, OFTP, which is the communication protocol for the automotive industry and VDA, which is a data standard used by the European automotive industry.

Second, Sterling Commerce Managed Services remove the burden on internal IT resources. For example, automated B2B processes have eliminated manual work, enabling the IT staff to focus on other key initiatives.

Third, Sterling Commerce Managed Services automate the company's e-commerce, including documents like purchase orders, advance ship notices, and shipping schedules. Furthermore, automated e-commerce means Hirschvogel Inc. is able to manage their B2B collaboration by exception. The only time they review transactions is when Sterling Commerce alerts them to a problem, and usually this occurs on the customer's side.

By providing seamless integration with the Hirschvogel Inc. ERP system, the solution also improves visibility into the Hirschvogel Inc. supply chain, which enables them to plan production processes based on their customers' needs. Increased visibility enables the

company to capture customer orders more quickly so they can plan production accordingly. This results in improved customer satisfaction and lower costs.

Key benefits

Sterling Commerce Managed Services enabled Hirschvogel Inc. to reduce the total cost of ownership of B2B collaboration by 90 percent. The outsourced solution was extremely cost-effective compared to the alternative. That is what it would have cost the Hirschvogel Inc. parent company to implement translation services for U.S. standards and protocols.

Now the IT staff never has to worry about keeping up with standards and protocols because Sterling Commerce supports all of them worldwide. The solution also eliminates manual intervention, which enables the IT staff to focus on other mission-critical endeavors.

Now Hirschvogel Inc. can manage their B2B by exception because Sterling Commerce will alert them if there is a problem. By removing manual processes through the automation of document exchange with the Hirschvogel Inc. ERP system, Sterling Commerce Managed Services also improves visibility into their supply chain, which helps them better plan production processes.

About Sterling Commerce

Sterling Commerce, an AT&T Inc. (NYSE:T) company, helps companies optimize and transform their Business Collaboration Network quickly, easily and securely so they can accelerate revenues, reduce costs and protect their enterprise. Sterling Commerce provides more than 30,000 customers worldwide with applications and integration solutions to connect, communicate and collaborate with their customers, partners and suppliers. Learn more at www.sterlingcommerce.com.

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