

The Power of Automated Collaborative Fulfillment

Mid-level manufacturers and distributors, caught between meeting the demands of key customers and the limitations of their dispersed supply partners, turn to automated order management and inventory visibility to speed responsiveness, delight customers and cut costs.

Current order management is a convoluted process of redundant transactions that inflate response time and chip away margins. These systems rely heavily on manual intervention and are often riddled with errors and incremental costs. Because cost creep occurs incrementally throughout your enterprise and your supply network, its stealthy effects gradually undermine your ability to remain cost-competitive.

Between order placement and fulfillment “*all hell breaks loose*”

Today’s distributed manufacturing and distribution systems usually include an array of disparate order entry (front-end, customer relationship management [CRM]) and manufacturing planning (back-end enterprise resource planning [ERP]) systems. Upon order entry, the lack of visibility from the order entry system to the ERP data sets off a costly chain *reaction*.

And when the front-end lacks visibility to the back-end, typical response has been to focus on a *reactive* contingency plan: for aggressive delivery schedules, carry a little more inventory... for potential component shortages, implement a small safety stock requirement... for customer product configuration, re-enter the order on the distributor’s system... if one manufacturing site can’t supply the product, contact each site to find capacity. The incremental effect of each transaction sends costs spiraling. But what’s the alternative?... risk inadequate service and lose a customer?

Mitigating conflict between customer responsiveness and inventory management.

Frontstep has discovered a way to synchronize order management and inventory visibility to eliminate the effects of cost creep and mitigate the conflict between customer responsiveness and fiscally responsible inventory management. “Gaining visibility to product availability at the time of order is a cost-effective way for mid-level enterprises to realized a marked improvement from a business system investment,” according to Aggie Halsup, Frontstep, Inc. Product Marketing Manager.

“Using the Internet and a Frontstep software application, mid-level manufacturers and distributors can quickly and easily offer their customers real-time inventory visibility at the time an order is placed,” says Halsup.

Real-time collaboration aligns supply with demand to better satisfy your customers’ need for rapid response and your channel partners’ needs to quickly close deals and cost-effectively manage inventory and move products.

Information access drives collaborative fulfillment

Information is the most valuable element in a collaborative system. Vital information that customers and channel partners need most is often locked inside your internal ERP system. Open architecture programming techniques and industry standard interfaces unlock this information making it available when and where it’s needed.

Connecting people and processes with the right information is the key to profitable customer service by streamlining business processes, automating manufacturing and distribution systems and delivering 24/7 customer support.

“In today’s business climate, everyone needs to be looking at the same sheet of music at the same time,” states Steve Sasser, president and CEO of Frontstep, Inc.

Does automated collaborative fulfillment really work?

A leading manufacturer/distributor of tools for electrical contractors sought to improve the accuracy of availability-to-promise at the point of order placement. With central distribution and multiple disparate manufacturing sites, Frontstep real-time collaboration proved a profitable solution.

Not only did the manufacturer keep its availability promises, but also consolidated *five* order entry systems into *one* while achieving instant order and inventory visibility throughout all sites. Synchronizing information throughout the enterprise and between the enterprise and customer, streamlined processes and increased customer satisfaction.

In another case for collaboration, visibility to order information initiated more profitable manufacturing for a multi-plant metal fabricator. Order entry not only triggered an accurate delivery promise based on real-time data, but also automatically generated a manufacturing plan based on feasibility.

This Frontstep application leveraged multiple existing ERP systems to connect order information to plant capacity, machine utilization and manufacturing costs, resulting in more cost-effective order fulfillment.

In a case for front-end collaboration, a busy Customer Service department for a Fortune 1000 manufacturer/distributor alleviated support bottlenecks. A Frontstep application offering access to customer history, order status and product information resulted in substantial reduction in redundant calls from sales reps and channel partners. At the same time, a web-based ordering system diverted 30% of all orders formerly processed in customer service.

Could automated collaborative fulfillment help you?

Automatic collaborative fulfillment helps you synchronize disparate back-end business systems that result from mergers, acquisitions and partnering deals. Offering inventory visibility at order placement makes it easier for customers to do business with you while streamlining the fulfillment process, saving thousands of dollars in inventory and handling costs. Typical savings from an automated collaborative fulfillment system are realized in as little as X months.

If you’re caught between meeting the demands of your key customers and remaining cost competitive, consider adding inventory visibility to order management and quickly provide added value throughout your enterprise.

Contact your local Frontstep provider for a free systems consultation and learn how automated collaborative fulfillment can help streamline fulfillment and satisfy customers.