

Success Story:

Going for the Team Gold

An IMARK Group eCommerce initiative inspires four distributors to collaborate and collect.

Summary

Four electrical distributors from Buffalo, NY recently demonstrated teamwork and collaboration to reach the goals set by IMARK's eCommerce program. Quermback Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley utilized IDEA's Industry Data Exchange (IDX) to reach IMARK's highest eCommerce tier by 2009.

Background

The IMARK eCommerce program offers a cash incentive for IMARK members to complete a check-list of six eCommerce criteria and to implement 850 (purchase orders) and 810 (invoices) electronic data interchange (EDI) transaction sets with at least five IMARK Preferred Suppliers. IMARK members that do not meet the minimum criteria will incur a monetary fine effective 2009. Those that meet the minimum criteria, Bronze tier, will receive a check from IMARK. The check amount and the criteria increase with each: Bronze, Silver and Gold tier.

Challenge

To find a cost effective and simple way to conduct EDI with trading partners to meet the IMARK eCommerce initiative criteria.

Quermback Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley are all relatively small distributors (15 – 40 employees) located in or near Buffalo, NY. These companies did not have the time or resources available to set up and conduct native EDI with their trading partners. Furthermore, the fixed cost to implement EDI technology would not be worth the variable EDI efficiency savings based on their total annual transactions. Each company needed a cost effective way to conduct EDI with trading partners to meet the IMARK eCommerce program criteria by 2009.

Solution

Join forces and utilize IDEA's EDI services.

"We embraced the IMARK program because we know IMARK has our best interests in mind. EDI is not the wave of the future – it is here now. Distributors of all sizes need to embrace it to get ahead of the curve and stay economically sound in the future," said Roger Cleary, president, Davis Electrical Supply.

Quermback Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley discovered they had more in common than IMARK membership while researching ways to integrate EDI with their business processes. They also use the same enterprise resource planning (ERP) software system, ERP technical consulting partner and buy product from many of the same suppliers. Careful consideration led to a mutual decision to collaborate and master EDI.

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“All four owners recognized the opportunity to cut costs and increase efficiencies by creating one standard process to engage in eCommerce with trading partners. We are friendly competitors who want to maximize the benefits from our eCommerce efforts,” said Peter Quermback, president, Quermback Electric.

IDEA was jointly selected as the group’s eCommerce service provider, utilizing Industry Data Exchange (IDX) to conduct EDI transactions. Andy MacVie, IT Manager for Quermback Electric, worked with IDEA and ProServe, their mutual ERP technical consulting company, to begin the process. They chose Flat Files to conduct EDI through an IDEA provided service that translates Flat Files to EDI documents. The EDI document is sent to trading partners via IDX. The company representatives worked with IDEA to reach a consensus on the Flat File formats.

“Each supplier has unique needs and our company does not have the capacity to collect the requested information and send it in the preferred format each time we want to conduct eCommerce with a trading partner. IDEA is the perfect middleman for us. They find out what the suppliers need and make eCommerce happen,” said Cleary.

An agreeable MacVie stated, “IDEA was an extremely effective liaison to our suppliers. They worked with me day to day and were able to push the right people when we needed it.”

Result **They got more than gold.**

The teamwork demonstrated by the four distributors paid off. Each company is now engaging in eCommerce with multiple suppliers and they are already discussing more ways they can work together in the future. They each have reached IMARK’s minimum criteria and have met or are positioned to reach IMARK’s Gold tier status by 2009.

“None of us really believed that EDI could financially benefit our company outside the IMARK incentive program due to our company size but the benefits of eCommerce are undeniable. We are already noticing quicker order fulfillment and we are now positioned to receive electronic price updates. Why would we stop now? EDI is just the beginning, we want to take advantage of everything eCommerce can offer,” said Cleary.

The accomplishments of these four distributor companies demonstrate that the impossible can be done when people work together to utilize the best resources and technology along the way.

MacVie was extremely enthusiastic with the end result, “It is time to break out the balloons and confetti and chill the champagne. The IMARK webpage shows that Quermback Electric has crossed the finish line for the Gold level. And they said that it couldn’t be done.”



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IT Manager
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