



ST. LOUIS, MISSOURI  
PH 314.983.1200

ST. CHARLES, MISSOURI  
PH 636.255.3000

CHICAGO, ILLINOIS  
PH 312.674.4668

WWW.BSWLLC.COM

---

# FEATURE ARTICLE

## **For More Information Contact:**

Mindy Lally  
314.983.1288 or 314.983.1200  
[mlally@bswllc.com](mailto:mlally@bswllc.com)

Danielle Oser  
314.983.1266 or 314.983.1200  
[doser@bswllc.com](mailto:doser@bswllc.com)

## **For Immediate Publication**

### ***Improve Your Supply Chain To Get Ahead Of The Curve ... Improve Productivity And Business Through Standards***

By Marc Semanoff

Every business is looking for the key to getting ahead in the current tight economy. What is the key to getting ahead of the curve? Process standardization is one place to start. With standardized processes how you exchange critical business transactions -- such as purchase orders, invoices, shipping notification and payment with customers and suppliers -- is unified.

## **Standardization Saves**

We have found industries utilizing standardized electronic information exchange to eliminate errors and reduce redundancy, can deliver better customer service, increase employee productivity and add to the bottom line.

Think about it this way, if Company A has 20 major suppliers that each submit an invoice in its own format, Company A must invest employee time to re-key information -- information that may be entered incorrectly -- to keep business running. If each invoice requires 30 minutes to process, at least 10 hours -- more than one full workday -- will be dedicated to a task that can be nearly eliminated by adopting standardized electronic processes.

Need additional proof that standards help increase the bottom line? If the correction of even one a simple error costs as much as \$100 per error to correct --Company A may process 1,000 invoices in a single day resulting in \$100,000 in lost time and revenue.

By standardizing advanced shipping notices (ASN), you can re-engineer your receiving

-MORE-

process and in turn, products get off the receiving dock faster, thus reducing the amount of inventory needed to get customers the products they need. Not to mention, with a standardized ASN you have fewer invoice discrepancies to resolve – allowing your accounting staff to be more productive.

Speaking of productivity – by getting all of your suppliers to follow the same data content and format, your team can develop one program, thus saving substantial time for your already overworked IT staff in addition to saving money and resources. Without standardization, your IT group must develop computer programs for every trading partner.

The improved processes created by standardization assure the best total value is delivered to the end-user by having the right products in the right place at the right time.

### **How Are Standards Established?**

Efforts to create standardized documents began more than 25-years ago, with the development of the ANSY X12 EDI. Unfortunately, these early standards are not practical for the small to medium company to implement today. They are not a “one-size fits all” solution – despite original intentions.

I won't kid you, standardization does not happen overnight – but it can happen. By pooling resources – both monetary and staff time – your industry can create results in record time. To ensure success, a wide-range of companies from an industry must “buy-in” to the process.

As a consortia you must remaining focused on the immediate task at hand, working to resolve one issue at a time -- rather than attempt to rework the entire industry -- industries can move forward without getting bogged down in unnecessary detail. Also, by not waiting for absolute perfection – and by making an occasional individual compromise -- industry groups can create a single, uniform interface for each customer/supplier relationship.

Technology is readily available to help your company get ahead – but only if your team has already standardized your business processes that take place between trading partners.

### **How We Know Standardization Works**

Our experience with the Embellished Activewear Industry (EASI) proves that when traditional competitors and trading partners acknowledge competition and agree to work together, everyone wins. By following the best business practices industries can create

## ***Improve Your Supply Chain To Get Ahead Of The Curve ...***

### **Improve Productivity And Business Through Standards**

Page 3 of 4

improved company profitability through lower inventory levels, shorter lead times, simpler business processes and making better decisions

As an outside neutral party, our team at BSW has helped several industries develop standards as part of a ground-up industry wide effort. Currently our team is working with a group of 25 Embellished Activewear distributors and manufacturers who recognized the need to establish industry-wide standards to reduce costs and improve customer service.

From start to completion, it took the group less than 12 months to finalize the first phase of initial standards which included: UCC GTIN product ID, master carton labels, product case tracking bar codes, product ID bar codes with case quantity, product description databases and advance shipping notices. In the coming months, an estimated 75 percent of all products in the industry will be shipped based on the standards this group of industry leaders has developed.

A second phase, now under development, includes: electronic purchase orders, electronic invoices and the exchange of sales information by SKU and the new standards are expected to be enforced by the end of 2002.

#### **Next Steps**

Resources are tight for all business; everyone is looking for a better solution. Recognizing that solutions are available is the first step.

The supply channel from manufacturer to distributor to end-user must continue to evolve and become more efficient as customers increase their demands for lower prices and more efficient business practices. Proactively working together and embracing technology and delivering high-quality service while maintaining a healthy bottom line the needs of the customer are met.

By pooling IT resources and agreeing to use the same content and format and interpretation of the transaction data -- your business can take full advantage of today's technology.

#### **About Us**

Our team is ready to help your industry establish standards today. Contact us at [advise@bswc.com](mailto:advise@bswc.com) or 314-983-1200 for more information.

St. Louis based BSW Consulting, founded in 1972, is a national technology consulting company providing technology and business counsel to improve performance by providing

## ***Improve Your Supply Chain To Get Ahead Of The Curve ...***

### **Improve Productivity And Business Through Standards**

Page 4 of 4

end user technology and support for distribution and manufacturing associations.

Brown Smith Wallace, which has revenue of \$13 million, is the second largest locally owned independent full-service CPA and business consulting firm in Missouri. Brown Smith Wallace, with offices in St. Louis, St. Charles and Chicago, makes a measurable difference in clients' lives by making sure clients get more than just a good return on their investment, finding hidden value, looking where others forget, bridging gaps to form long lasting relationships, being accessible and by putting a guarantee in writing. For more information visit [www.bswllc.com](http://www.bswllc.com) or call 314.983.1200.

**# # #**

**EDITORS NOTE:** Permission to reprint is hereby given to all print, broadcast and electronic media. Permission is also granted for reasonable editing, including article title change and customizing for your audience/industry. **Please send a copy of the published information to: Brown Smith Wallace, Mindy Lally, 1050 N. Lindbergh Blvd., St. Louis, MO 63132**