

SPECIAL EDITION: HOTTEST SOFTWARE & TECHNOLOGY TOOLS

Food Logistics®

Global Supply Chain Solutions for
the Food and Beverage Industry

**BLOCKCHAIN IN
THE FOOD CHAIN**
CAN A DISTRIBUTED DATABASE
MAKE THE FOOD CHAIN SAFER?

30+
TRENDSETTING
TECHNOLOGIES



TECHNOLOGY TRANSFORMS THE FOOD SUPPLY CHAIN

HOW SOFTWARE AND TECH IS CHANGING
THE WAY BUSINESSES MAINTAIN COMPLIANCE,
IMPROVE VISIBILITY AND MORE

ANATOMY OF A RAPID EDI IMPLEMENTATION

Leading consumer brands constantly seek to streamline supply chains for greater efficiency, profitability and customer service. Electronic data interchange (EDI) is one common tool for doing so. But not all implementations are equal.

ARI Packaging, an Alsip, Illinois-based provider of contract manufacturing, packaging and fulfillment services, has a reputation for establishing long-term, strategic relationships with its brand customers. "One of the goals we have as a supplier to CPG (consumer packaged good) customers is to integrate our systems. It allows us to go from being merely a vendor to a strategic partner," says Gary McCullough, CEO at ARI.

While ARI has successfully completed many integration projects with major CPGs, recently they surprised one such leading brand with the fastest EDI implementation it had ever seen—despite having completed dozens of EDI projects with other suppliers.

Opportunities for Improvement

Initial investigations by the brand and co-packer identified areas for improvement, beginning with high-priority goals, such as enhancing the speed of processing inbound delivery receipts. The brand sought to reduce delays in the time it took its personnel to enter incoming data from ARI shipments into its SAP system. This data entry was done only during the day shift, which delayed inbound receipts and tied-up resources by delaying cross docking of materials on other, outbound customer orders. Additionally, the brand sought to reduce the time and labor needed to maintain inventory accuracy between its systems and ARI's—something that occupied one full-time employee.

For its part, ARI had already identified opportunities to enhance reporting efficiency across its four facilities using Nulogy's PackManager cloud-based functions and database. But before establishing EDI communications with the brand, reports were still fairly manual: ARI downloaded data for daily (and other) reports from that platform and emailed them to personnel who manually keyed data into the SAP system.

Initial work on the initiative began in December 2015, approval came in February of 2016, and the solution went live in July 2016.

Targeting Key EDI Transactions

Following audits, modeling of workflows and other preliminary steps, the brand, supplier and tech-vendor team moved to eliminate repetitive data entry and the use of spreadsheets that could be automated via PackManager and transmitted via EDI.

The team ultimately settled on the highest-priority EDI transaction sets, spanning areas of production planning, order processing, con-

sumption of components (i.e., food product and packaging materials), inventory movements, and shipment of ARI's outbound goods to the brand. In all, the team implemented 20 EDI transaction sets.

Being highly integrated in its own operations prepared ARI for this EDI implementation project. When the team had to choose which EDI translator software to convert electronic data into the standard X12 EDI transaction formats, the decision was made to go with a solution that had worked for ARI in the past: use of Nulogy's translation tool and integration services to eliminate the need for another vendor in the mix. The result was a scalable, future-proof solution for direct

(point-to-point) data communication between the partners' management systems.

Retail Deliveries Three Days Faster

The benefits of the project reveal how a collaborative and strategic relationship between supply chain partners can improve planning, reporting and inventory accuracy for all parties—and most importantly better service to retailers.

When the brand eliminated manual data entry processes, it gained faster turnaround of product from ARI and reduced order-to-delivery time by two to three days (depending upon the product mix).

The brand's project leader reports he has seen some of the greatest benefits from automation of the highly complex Advance Shipping Notice trans-

action, which allows his forklift operators to scan pallet labels upon return shipments from ARI. This has reduced the receipt process by at least 30 minutes for every inbound shipment. Additional improvements include better case-fill rates, on-time demand KPIs, inventory accuracy and other operational enhancements. The project leader reports that automating transactions into SAP has saved his organization the equivalent of half a full-time analyst's salary.

In turn, ARI, between July 2016 and January 2017, slashed more than 400 labor hours related to preparing and processing shipments, preparing receipt reports and updating inventory adjustments. Wagner cites "exponential savings" beyond these hours in additional shop-floor activities. Business is set to expand with the brand to additional ARI facilities and greater user of EDI.

"We've made large investments in capacity and our people," says ARI's McCullough. "We've also made large investments in the systems that support both of them and our customers. We believe that we've laid the foundation to grow the business without having to invest further."



ARI manages all facets of last-stage product customization and order fulfillment at the line level using Nulogy's PackManager, which automatically populates EDI reports.



ARI studied opportunities for improvement from the front office to the warehouse, including the time spent by forklift drivers processing incoming shipments on their mobile apps.