Strategies for Improving the Efficiency of Integrated Supply Chain Networks
Extract more profit & efficiency from your supply chain by automating manual processes and integrating internal systems with B2B partner portals.

Introduction:
Over the years, companies have invested billions of dollars building their supply chain infrastructures and processes. As a result, things are far more automated today than ever before. However, even with all these systems and technologies there are natural limits to their ability to be integrated and automated. There is a line where the technology stops and manual efforts start. In many cases, this results in labor being done manually where it is not necessary. For example, historically manual processes are not converted, or manual processes are used as a result of inadequate or non-existent application programming interfaces (APIs). In all these cases, there is a solution to extract more profit and efficiency by automating and integrating your supply chain operations even farther than you have before.

While the vast majority of companies have adopted supply chain management systems, these systems largely lack the end-to-end capabilities required to extract even greater performance. For example, enterprise resource planning (ERP) systems and advanced planning and scheduling (APS) software were never designed to solve the multi-enterprise integration required today. Due to their stand-alone nature, these systems have major gaps and inefficiencies that are currently handled with manual, repetitive tasks that are slow, don’t scale, are costly and prone to human error.

It is an integration problem when employees must manually log into B2B partner portals to extract and load business data and update partner portals with information from internal systems. Some may view these tasks as a

“Senior executives across all functions now realize that IT is capable of game-changing innovation and business transformation that can spur revenue growth, get products to market faster, and sometimes generate entirely new business models.”
McKinsey & Company – Winning with IT in consumer packaged goods: Seven trends transforming the role of the CIO. 2014
traditional manual business processes, but if all internal and external systems were integrated and automated perfectly, these business processes could happen without manual intervention. With the technology to automate anything a human can do in a browser, companies can achieve even higher levels of partner integration and business process automation.

EDI is used heavily to exchange data with trading partners. However, the cost of implementation and maintenance is high, and sometimes impractical. In addition, web portals have grown in popularity and replaced EDI systems for various tasks.

Even with all of these advancements, users still waste time interacting with multiple systems, creating ad hoc spreadsheets to track information, copying and pasting between systems, working with green screens, reading emails and copying more data. Until now, these activities and processes could not be handled with current systems, and designing a solution was just too costly and time consuming.

Today’s companies are building on the basic foundation of supply chain management with initiatives in data integration, automation, multi-tier visibility and supply network optimization.

They rely heavily on integrating operations management, logistics, procurement, information management and mobile technology. To succeed in this environment, industry leaders are integrating supply chain partner data into internal processes, managing global partners, and taking advantage of Kapow technology to enable the automation of manual processes.

Leveraging Information to Improve Supplier Interactions

Companies need to automate even more than they have before by leveraging the various systems across supply chain partners, various business units, departments and diverse business processes. Organizations have information in multiple, siloed systems that is not being leveraged across the enterprise. In addition, the growing number of partners that they work with in today’s global environment compounds this problem.

This is all beginning to change. From consumer product manufacturers to distributors, logistics vendors and retailers—there are countless interactions happening daily, even hourly. Kapow solutions are designed to integrate data and applications to replace manual data-driven processes with automation. This provides significant benefits in the form of business agility and increased efficiency—resulting in business growth, financial performance and increased customer satisfaction.

Business Process Ecosystem

Tight integration improves efficiencies and provides operational flexibility to rapidly respond to changes in competitive and customer environments.
Creating Growth by Enhancing Supply Chain Efficiency

Industry Leaders Use Information Integration to Bridge Gaps With Their Suppliers.

Most organizations still rely on a significant number of staff assigned to manual data entry and exchange activities related to order processing, customer service, gathering data on product demand, marketing, sales trends, pricing and logistics. Although essential, these tactical activities are resource-intensive, error-prone and add cost and time to the organizations’ overhead.

However, leading companies are getting better at understanding their supply needs by using internal and external data for market intelligence, enterprise automation and the integration of multiple platforms to build agility into the supply chain management process.

A new approach is now available. Kofax enables companies to eliminate labor-intensive back-office functions by automating B2B partner integration across both internal and external portals. This tight integration of all players in the supply chain accelerates innovation and growth by enabling any organization to implement strategic B2B portal integration and automation.

The Rise of B2B Portals

A major cost factor for consumer packaged goods (CPG), manufacturing, retail and transportation companies is the widespread use of Business-to-Business (B2B) portals—supplier, client, and partner-facing websites where transactions are still entered manually in spite of some level of web services integration, APIs or custom integrations. Widespread B2B portal adoption means that organizations must access dozens of portals as part of their daily operations—which means staff is tied up in manual activities such as rekeying data, printing and filing reports and screen shots, and other work the portal owner has offloaded to your team.

The solution seems simple. By integrating internal systems with B2B portals—organizations integrate key IT systems—increasing efficiency and reducing costs. Unfortunately, most integration technology has not kept pace with the growth of B2B portals. Some portals support integration through electronic data interchange (EDI), and some offer application program interfaces (APIs) that can be used to integrate internal systems with the portal. But even when EDI or APIs are available development costs can be high and flexibility low, and if the portal offers no interfaces manual effort is often the only option—until now.

Kofax, an Agile Approach for Supply Chain Data Integration and Process Automation

There is a more agile approach available, one that relies on technology that can integrate internal IT systems, legacy applications, green screen, email, Excel, internet, extranet and intranet with any B2B portal in a fraction of the time it takes with traditional data integration platforms. That approach is Kofax. Kofax can integrate & automate your manual business processes with the websites, applications and databases your organization needs to access and interact with, allowing you to automate key business processes by enhancing integration with your suppliers, distributors, and other partners. This automated approach makes manual efforts a thing of the past. Business processes and the data exchange with partners are more standardized and efficient. Exception handling is minimized, so human resources can focus on higher-value work.
Data Integration Helps Produce Significant Gains in Efficiency

Suppliers, consumer packaged goods, manufacturing, retail and transportation companies need to effectively manage their day-to-day operations. A typical approach to supporting growth is to increase operational efficiency and invest the added margin in strategic initiatives. While most organizations may have already found the easy improvements, there are several areas where companies can realize significant gains in efficiency by implementing Kofax to enhance their existing processes. These include:

- **Establishing New Levels of Engagement with Business Suppliers and Partners:** By delivering dynamic business processes through data integration, companies can enhance supplier engagement and responsiveness while ensuring data accuracy throughout the product lifecycle.

- **Automating the Extraction, Enhancement and Delivery of Information:** Automate labor-intensive back-office functions to glean data from on-going operations as well as supplier interactions via social media, mobile, and internet communications.

- **Optimizing Supply Networks:** Automate manual data-driven activities that standard integration tools do not address and enhance your existing supply chain systems by eliminating all remaining manual data exchange activities that exist today.

- **Managing Complex Scheduling and Logistics:** Global sourcing, subcontracting, outsourcing, and managing transportation are essential to managing complex, multi-site operations and multinational supply chains.

- **Leveraging Enterprise Information:** Monitor and adjust to competitive market conditions by integrating internal and external data quickly and easily.

“Technology is increasingly fundamental to competitive advantage in the consumer-packaged-goods industry. IT leaders are stepping up to the challenge.”
McKinsey & Company – Winning with IT in consumer packaged goods: Seven trends transforming the role of the CIO. 2014

Kofax Kofax enables navigation and interaction with portals, internal apps, and processes. It automatically generates reports, imports data into Microsoft® Excel, applies business rules, and notifies employees to help drive productivity and maximize profitability.

kofax.com
Kofax Complements Your Existing Supply Chain Systems to Maximize Efficiency

The case study on the right is just one example of the many ways Kofax can enhance traditional supply chain software solutions and improve efficiencies for consumer packaged goods, manufacturing, retail, and transportation companies.

Enterprises are challenged to remain competitive in this fast-moving, volatile environment by reducing cycle times, integrating data, applications and gaining control over inventories and costs. Kofax allows companies to quickly implement tight supply chain integration to improve efficiencies and provide operational agility to rapidly respond to changes in the marketplace. Kofax provides companies with visibility not only into their own operations but also into their suppliers’ and distributors operations, which allows for collaborations on reducing costs and driving profit margins.

In order to facilitate the flow of data required to support key business-to-business processes a number of dispersed systems and applications must be integrated. Once integrated, the spectrum of “create-manufacture-sell-ship-pay” process that involves capturing a range of transactions, documents and business data are automated. These processes include not just the buyer or seller of goods and services, but also the banks,

“We expect to save hundreds of hours/month of manual work to process special quotes and invoices—with shorter cycle times, data accuracy and increased customer and employee satisfaction.”
— Wolfgang Fischer, Senior Division Manager eCommerce, Arrow Central Europe Components

Case Study
Arrow Electronics

Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users. Arrow serves as a supply channel partner for over 100,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 460 locations in 58 countries.

Arrow relies on Kofax Kapow™ to better integrate with key suppliers, shorten cycle times, assure data accuracy and increase customer and employee satisfaction by minimizing the steps in Arrow’s special quote and invoice processes.

The Challenge
Arrow’s engineers work closely with customers throughout their product life cycle, beginning with the initial idea through all stages of development. They prepare hundreds of custom proposals per partner, per week. Unfortunately, the proposal process didn’t work with Arrow’s existing B2B processes requiring a lot of manual effort.

In order to find the best source for a particular component, product asset specialists had to ask multiple suppliers for quotes via different methods—email, pdf form or web portal, depending on the supplier’s process. Offers from suppliers were also returned in varying media formats and these had to be manually incorporated into the proposal. Handling suppliers’ invoices was a similar, manually intensive and repetitive data entry process—with a significant volume of several hundred per day.

The Solution
For Arrow, using Kapow Software made perfect sense for a number of reasons. Quick and easy implementation was the main advantage. With Kofax best practices as their guide, Arrow was able to implement Kofax Kapow avoiding an expensive IT
“Trinity Logistics has recouped twice our investment in Kapow with our initial project. We have automated processing of Proof of Delivery documents, Bills of Lading, carrier invoices, and other shipping documents, enabling us to refocus several headcount on exception handling and other high-value work instead of manual website updates.”
—Doug Potvin, CFO, Trinity Logistics

payment processor platforms and logistics companies that support the transaction. The Kofax solution automates activities within the process that are often handled by users.

These are just a few of the ways our customers have used Kofax to automate key business processes that have been left untouched given other technology approaches were too costly or complex to implement. Others use Kofax to improve the quality of their CRM data; supplement EDI data from web applications or partner portals; integrate with web-based e-commerce sites and B2B portals.

project, a long chain of approvals and having to wait many months or more.

The process automation capabilities were another key advantage. In the fast and uncomplicated POC (proof of concept), Kofax was complementary to Arrow’s existing middleware—and unique in the market as it could automate their manual tasks that standard integration tools could not. One example: an Arrow specialist logs into a web portal using credentials to request a quote and evaluates the response delivered via email.

Furthermore, Kapow’s synthetic APIs interface perfectly with Arrow’s existing B2B infrastructure, so no special coding, integration or assistance from IT was needed. Kapow’s automated workflows mimic what users had to do manually to request and process quotes and invoices, regardless of format or location.

**The Results**

Arrow opted to implement supplier by supplier and because the first several workflow automations were so successful and produced outstanding results that were noticed enterprise-wide. Conservative estimates of three minutes reduced manual effort per order or invoice translate into hundreds of hours/month saved for Arrow’s Components unit in Central Europe. On a global level, the business impact will be even greater as Arrow has thousands of suppliers worldwide.

In reality, the benefits are far more valuable to Arrow than just time saved. Product asset specialists can now spend their time working closer with customers to help advise them on component options, as well as build stronger relationships with suppliers and do more negotiation. Cut-and-paste errors have been eliminated while faster invoice payments may even yield special discounts.
Maximize Growth & Profitability

Kofax is helping suppliers, consumer products, manufacturing, retail and transportation companies enhance and leverage their existing supply chain software to facilitate data integration to drive and improve their business processes. As companies strive to be more competitive they need to harness the power of this integrated data to improve efficiency and increase profitability.

Kofax supports the creation of revenue-generating products and services, providing top-line growth to the organization. Whether your focus is growth or profitability, Kofax will help you achieve your goals—and help ensure your competitiveness—no matter how conditions may change.

For more information visit kofax.com.