

## Datalogic – IUNGO: supplier become an active part of the supply chain



Project Start  
Date: 2010

ERP:  
SAP

Users:  
50

Industry:  
Electronics

Location:  
worldwide

Datalogic, worldwide leader in the automatic data collection in the industrial automation, chose to trust IUNGO, the supply chain collaboration solution with the purpose to simplify the process that regards the purchasing materials. A reduction of low value-added activities and an overall saving estimated around 800 man days a year: these are the main advantages achieved within the supply chain.

Day after day, the technology is more related to the daily life, even in the basic routines, from shopping to medical examinations and travels. More and more often, behind this daily actions, there is the advanced technology signed by Datalogic, pioneer in the barcode reading and undisputed leader of the market, in Italy and worldwide.

Datalogic is an industrial group, listed in the Italian stock exchange from 2001. It works on two different markets, Automatic Data Capture and Industrial Automation and it is articulated in two divisions. The first one is Datalogic ADC, worldwide leader in the high performance fixed scanner for the retail market and first supplier of manual barcode reader in EMEA; Datalogic is also a key player in the mobile computer market for the management of the warehouses, in the automation of the sales force and in the point of sales data collection. The second one is Datalogic Automation, one of the main worldwide producer of solutions and products for the automatic identification, data collection and marking for the industrial automation market.

Thanks to the latest acquisition of Accu - Sort System Inc., an American company which is leader in the automatic identification products and solutions, the Datalogic Group doubled its presence in the this market and achieved the first place in the world as regards the Industrial Barcode Scanners, with a market share of 31%.

In 2011 the Datalogic Group, with more than 2.000 employees spread in 30 countries within Europe, North America, South America, Asia and Oceania, recorded around 425 million Euro of Preliminary Sales. The Group invests more than 26 million Euro every year in research and development and it has a capital of 898 patents all over the world, which increased of more than 100 units thanks to the latest acquisitions.

### THE BUYER IN SEARCH OF THE LOST TIME

The Datalogic supply chain is very articulated with near and far suppliers, of various dimensions and approach to the customer. "A 'smart' supply chain management requires time and resources. In 2010 we were in a particular market context and were requested to our purchase department the capability to carry out evaluations on the quotations and to find alternative supply solutions in order to get a round the lacking availability of the electronic components", explains Cesare Mariani, SAP SCM Analyst in Datalogic. From here the decision to "free" the buyers from all those activities concerning the management of the orders (data entry, reminders, activities to keep aligned data with the ERP system) that are essentials activities but low value-added. In this case the technology can be very helpful because these procedures are automatics and repeatable.



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*“We evaluated the solutions of collaboration offered by the market and suitable for our ERP system (SAP) and IUNGO resulted the most convincing one: easy to use, prompt and perfectly in line with our peculiarities, like an high numbers of material codes to be ordered and the variability of the planning, with early and late delivers that have to be communicated. The whole of it supplied by big and small suppliers ”, declares Mariani.*

### THE IUNGO - DATALOGIC PROJECT

IUNGO is a technological platform: the user works on a web portal where he can see the complete and updated order status, while the supplier can reply easily and safely using the “IUNGOmail” the email messages generated by IUNGO. At first, the implementation involved a part of the ADC division and the Industrial Automation division which have the same ERP system SAP. Later, Datalogic implemented IUNGO in the remaining part of the ADC division (Slovakia and Vietnam plant). All this, in a very short time and integrating the 50% of the suppliers, very different one another. *“We tried not to impose but propose IUNGO, showing its advantages like efficiency and quality of the processes. It is a character of IUNGO to be not invasive but a way to increase the collaboration, the quality and the precision of the communication. The suppliers have been open to its implementation: after all, they just need to modify the editable fields (quantity, price and delivery date ) in the incoming e-mail or simply to confirm our initial proposes”, comments Mariani.*

In short, through the e-mail generated by IUNGO it is possible to manage these processes: sending the purchase orders, delivery plans, request for quotation, attachments, invoices, reminders, requests to advance or postpone the deliveries, forecast, delivery notes; and receiving the confirmations or the requests to change the dates, prices or quantities. Then IUNGO automatically proceeds to transmit to the ERP system the orders confirmations, while the modified orders remain in IUNGO till the approval of the buyer and the supplier.

Moreover, SAP sends to IUNGO every communication concerning the exceptions generated by the MRP. Therefore, the two systems are continuously updated, thanks to a connector developed by the IT consulting company Twinergy.

### LEAN PROCESSES AND EFFICIENCY

The majority of the processes above mentioned were earlier carried out manually; in other words someone had to “produce” the reminder reports and send fax or e-mail with the order variations , elaborate the replies, call to solicit etc. With IUNGO these procedures are automatic so the buyers can focus their attention only on the rows that have to be confirmed and especially on the analysis of the best offers in order to create an high competitive supply chain. To summarize, the expected benefits , now tangible, are: time reduction, increase of the reliability of the deliveries, reduction of production and customer service interruption. In particular the savings as regards the man-days have been calculated somewhere around 600 days per year for the processes from the offer till the order and 200 days per year for the processes regarding the goods delivery, for a total amount of about 800 man days.

