

## Too many orders and the purchase department is congested?



Project Start  
Date: 2011

ERP: SAP

Users: 10

Industry: Electric

Integrated  
Suppliers: 250

*Buyers' efficiency in managing the supply chain becomes more and more effective thanks to technology. Elettric80, leader in the integrated logistics solutions field, adopted the IUNGO platform to enable the purchase department to reduce the low added value activities and take control of the totality of processes, from orders to production.*

Elettric80 has a history that spans over thirty years. The company has experienced continuous growth with acquisitions and innovative solutions and nowadays it performs a leading role in the integrated logistics systems market. Their products consist of warehouse management software solutions, robotic palletisers, laser guided vehicles (LGVs), pallet quality control systems and robotised wrapping machines.

First in the world to introduce a LGV system autonomously operating round-the-clock in 1992, Elettric80 has kept progressing ever since. The turnover is estimated at around 110 million euros a year and the company now employs 430 people. The headquarters are in Viano (Reggio Emilia, Italy), but the company owns other branches in the United States, Brazil, Australia, Britain, Sweden and Russia, a technical branch in Poland and assistance centres in Spain and France.

In relation to its exponential development, in the last ten years Elettric80 had to face a significant and substantial reorganisation of their offices. In particular, the purchase department was overloaded, due to the massive amount of purchase order lines received every week.

### HOW TO SIMPLIFY THE BUYER'S JOB

Clearly, Elettric80 found itself in a situation that could constitute a potential obstacle to the smooth running of operational processes.

This is because the purchase department, which is strongly intertwined with the production line, had maintained the same structure in front of an increase in workload. This constituted a significant bottleneck and the possible options to overcome the problematic situation were two: increasing the number of human resources or adopting solutions to slim down the organisation.

Technology came in handy and the second option appeared preferable because of the additional possibility of treating other critical situations, such as the high number of human errors in data entry, losses of time, costs associated with printed material and the lack of an objective evaluation of suppliers.

Order management was essentially manual, with the employment of fax machines and traditional emails for communicating with suppliers. The use of these methods frequently led to mistakes or delays in stock arrivals.



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### ORDER MANAGEMENT WITH IUNGO

Elettric80 considers suppliers as real partners during the whole production process, because their final products are customised to meet the final user's needs. For this reason, they have to work in synergy to identify if the supply meets the high standards set by the customers.

IUNGOmail is the perfect tool to ensure an effective communication concerning purchase orders, between the company and its suppliers. In particular, buyers use IUNGO to send purchase orders to suppliers that can easily access them from the email. The supplier can then either confirm the order or edit it in three fields: price, quantity and delivery date.

Order confirmations are grouped together and automatically sent to the ERP and then to the MRP through a connector. In this way, buyers view only the modifications made by the suppliers. This represents a significant change from before, when purchase confirmations were sent back to the purchase department and were mixed up with the variations, causing confusion and slowing down procedures.

Now, the variations stand out and buyers can concentrate only on them. Moreover, it is easier to manage purchase orders that require different delivery dates, in line with the requests of this fast-paced market.

The IUNGO project started in 2011 and led to the integration of 90% of suppliers, about 250, and 10 buyers in just a few months.

*"It was easy to convince our suppliers to use IUNGO because they all have an email account and we didn't have to train them to use a new technology",* states Luca Cavallini. Project's future developments include the introduction of pre-bills to facilitate the warehouse in receiving goods.

### KEEPING PROMISES: VENDOR RATING, SAVINGS AND SPEED IN PROCEDURES

*"We can confirm that IUNGO kept the initial promises. The results that we have reached after its introduction are tangible and led to a general acceleration of procedures, from goods reception to final product delivery",* concludes Cavallini. Now buyers can objectively evaluate suppliers thanks to the Business Intelligence Reporting module, which measures their performances in terms of compliance of products, speed in delivery, reliability and flexibility. The report is also sent to the suppliers that can use it to improve themselves.

Savings in printed material amount to 90%. 50% of order confirmations arrive in 24 hours and the system automatically sends reminders to reduce delays, with evident benefits for the production.

