

Mandelli - Riello sistemi: an innovative approach to procurement process



Project Start
Date: 2011

ERP: BAAN IV

Users: 4

Industry:
Automation

Integrated
Suppliers: 400

Economic growth during the crisis? The Italian companies that accept this challenge unavoidably have to review their processes in a perspective that includes savings and innovation. This is the case of Mandelli Sistemi SpA of Gruppo Riello Sistemi. Thanks to the implementation of the IUNGO web platform, they managed to integrate the whole supply chain with direct effects on their ability to successfully plan production according to the market's needs.

Mandelli has a history that spans over a century and entered the Gruppo Riello Sistemi, leader in the machine tool sector, in 2000. Mandelli Sistemi SpA produces horizontal machining centres for removing metallic swarf, mainly for the energetic and aerospace sectors. They deverticalised their productive structure, so they assemble and test semifinished products coming from other companies. Every product leaving their plant is the result of complex engineering work because it follows the customer's needs of personalisation and customisation. When the crisis hit the market in 2009, the company used this occasion to rethink their market strategies and started working mainly on commissioned orders and buying only the required materials for a determined commission. This lean approach brought costs savings and the possibility of innovating according to the market's requests, but it necessarily influenced the supply chain logics.

REQUIREMENTS: SUPPLIER'S RESPONSIVENESS

In Mandelli, communication with suppliers could not keep up with the company changes. The purchase orders cycle was still manual.

The purchase department sent the orders in pdf format, so they were not editable, and technical drawings had to be sent separately because they were too heavy.

Reminders were sent manually to suppliers to keep track of the active orders, with a high commitment of human resources.

The goods reception was not managed in advanced because the possibility of checking the pre-invoices was missing. The main consequences of these actions were delays in deliveries and mistakes in quantities and quality of goods. Disorganisation made it almost impossible to identify a precise production plan for the company.

Ultimately, the company wanted to simplify and facilitate as much as possible the relationship with the suppliers, in order to make them more reactive and reliable.

THE IUNGO SOLUTION

In 2011, a search for the right technological solution to face the company's needs started. Antonio Strafallaci, Operations Manager of Mandelli Sistemi SpA, highlights the importance of respecting the supplier while looking for a technological tool for managing purchase orders. "We wanted a solution that pandered to the suppliers' needs and avoided complicating procedures, buying new software tools, remembering passwords or using websites".



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They chose IUNGO because it met all these criteria: standard technology (email), easy to use and available in many languages, solid integration with Mandelli's ERP system (BAAN IV). IUNGO is mainly used in the order validation phase because buyers can input orders into the ERP, then the data are automatically transmitted to IUNGO that sends a reminder to the supervisors for final approval and the final order to the suppliers.

Suppliers receive an email with the purchase order, and they can confirm or edit it concerning quantity, price and delivery date. If the email includes attachments, the suppliers can find a link to download the associated documents. Once a week, they automatically receive the detailed delivery plan with open order lines that can be modified.

IUNGO operates not only for purchase orders management, but also for delivery notes, labelling and non-compliances, in order to realise an accurate quality control on the goods entering the company. *"With IUNGO, we always have the situation under control and this allows us to continuously update our production plan. Knowing about order modifications in advance is always better than not knowing at all"*, states Iolanda Brambilla, Logistic Manager at Mandelli Sistemi SpA.

QUALITATIVE AND QUANTITATIVE ADVANTAGES

The first benefit resulting from the implementation of IUNGO is the speeding up of processes. The direct communication with suppliers allows the possibility of automatically and instantly updating the ERP and, therefore, of having a precise production plan in line with the market's requests. Moreover, the technical drawings are always updated to the latest version to reduce mistakes during production.

At a quantitative level, IUNGO's success is evident: 400 integrated suppliers (99%) and 11.000 order lines managed every year.

IUNGO's project in Mandelli classified among the finalists of the Innovation ICT Emilia Romagna award, organised by SMAU in collaboration with the School of Management of the Politecnico di Milano.

