

Snap-on: how to simplify a complex supply chain



Project start date:
2011

ERP: SAP

Users: 13

Industry:
Automotive

Integrate
suppliers: every

IUNGO has integrated the 90% of the supply amount of Snap-on Equipment Europe, the Europe headquarter of the American multinational Snap-on Incorporated, leader in hand tools, equipments and high quality instruments for professionals. A real collaboration between the company and the supplier in order to simplify and "Lean" the processes allowing an increasing innovation and product quality.

Among the tools produced by Snap-on there are the digital wheel balancers, the computerized wheel aligners with laser technology and artificial view, the roller brake and suspension tester and the cartyre changers. Born in 1920, the American multinational has a yearly turnover of more than 3 billion dollar, more than 10.000 employees and plants all over the world.

One of the main headquarters is in Correggio, Reggio Emilia (Italy). This is the European headquarter for planning, production and distribution of machineries for the cartyre changers, the wheel balancers, the car aligners and the testing systems. With a yearly turnover of more than 200 million dollar and customers spread in 5 continents, Snap-on Equipment Europe has the need to maintain "excellent" the standard of the production regarding the quantity, the quality and the innovation, as well as the excellence in the level of the customers service. And at this point IUNGO takes the field.

A COMPLEX SUPPLY CHAIN: IUNGO CAN SIMPLIFY IT

Snap-on works as a team and when several professionals have to collaborate in order to guarantee responses to the reference market with extremely reduced lead time, in a Lean Manufacturing context, it is necessary that the supply chain can manage efficiently and effectively a logical process characterized by

an high number of suppliers from various product sectors and a various geographical locations which are affected by both the contract work and the customizations of the product that increase purchase codes.

For this reason IUNGO, the web platform through an innovative and patented email (patent n. IT1334748, IT1380703) **allows the supplier to interact with the purchase orders, quotations requests, delivery notes** and everything else could be requested in a customer supplier relation, become one of the strong point to support **the integration with the suppliers**; and the simplicity is the key point in the Snap-on - IUNGO connection: *"Among all the products we analyzed with a study team - explains Stefano Lusuardi, IT manager of Snap-on - we chose IUNGO for its simplicity and for the ease of its use but especially we chose IUNGO because it is absolutely not invasive in the creation of the partnership between the company, requiring quick and certain responses, and suppliers, requiring to work, to do their job and to offer an high quality service"*.

In particular it has been appreciated the "smooth" approach of IUNGO, its ability to enter little by little in the house of the suppliers, at first along with the past procedures and then with the IUNGOMail which has the same characteristics of the



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traditional email.

IUNGO: EFFICIENCY, RELIABILITY AND CURRENTNESS'

The implementation of IUNGO allowed to reach the goals defined at the beginning of the project: **improvement of the internal efficiency**, that is solving problems related to purchases, planning, logistics and invoicing; improvement of the reliability and the response time of the procurement network; fulfillment of a dynamic chain able to manage real time information, that before IUNGO used to be exchanged mainly by phone with huge fixed costs. Also, now **never occurs to "lose" orders and order confirmations**.

"With the active IUNGOMail - comments Francesco De Lucia, Purchasing Manager Europe - every complex action seems now to be natural and simple. With IUNGO, the variation process of the delivery date and of the batches numbers becomes a successful critical factor for the fulfillment of the final customer. IUNGO makes more fluent the relation between the buyer and the supplier and aims to create added value rather than settle disputes and misunderstandings."

Therefore **the procurement situation is always under control**: even the minimal changes are reported and everything is integrated with the ERP system SAP. Moreover the planner has the exact and necessary data to perform his activity with precision.

PERSPECTIVES

The success of the project depended both on the quality of the IUNGO platform and on the creation within the company of a committee where the purchasing manager, the managing director, the logistics manager and the information technology manager work together. The Snap-on - IUNGO project involved the buyers, aware of the utility and the achievable benefits, and the suppliers, whose good will is immediately perceptible, since the first and prompt reply to the request of the buyer.

To this day the 90% of the supply amount of Snap-on is managed through IUNGO and the ambition for 2013 is to manage in the same way even the intercompanies in USA and China that soon will be integrated and that they have different ERP systems; next steps will be: the activation of the indirect suppliers, the creation of a strong link with the Quality - that is managing the non-compliance and the charges with IUNGO - and the launch of the self-billed invoices. At the end, the condition for suppliers "joining" Snap-on in 2013 will be using IUNGO.

