

A Tale of Two Companies

**How one company struggled with
Special Pricing Agreements (SPA's)
while how another company
thrived...**

Jason Hatfield,
Senior Development Manager,



Manual Distribution Co

- Received SPA's Via Excel Spreadsheet From Vendor
- Two Full-Time Employees:
 - ◆ One managed, reviewed, and manually loaded contracts into the computer system
 - ◆ One handled reporting, filing, reconciliation and charge-backs



Manual Distribution Co

- Waited 2+ Weeks to Receive a Response From Vendor
- Multiple Rejects for Multiple Reasons
 - ◆ Many hours of research
 - ◆ Long approval cycles
 - ◆ Numerous charge-backs
- Experienced...
 - ◆ Margin squeeze
 - ◆ High labor costs
 - ◆ Cash flow problems



Automation Supply Corp

- Automated the Process Using Technology ... Embraced NAED EDI Pro/SPA Standards
- Only One Employee Dealt w/ Exceptions
- Received Contracts and Filed for Rebates Electronically Using EDI
- Handled Sell-Price Mark-Ups w/ a Few Keystrokes From w/in the EDI 845 Queue

100,000	100,000	100,000	100,000
10,000	10,000	10,000	10,000
10,000	10,000	10,000	10,000
75,000	75,000	75,000	75,000
\$205,000	250,000	250,000	250,000
	-250,000		

Automation Supply Corp

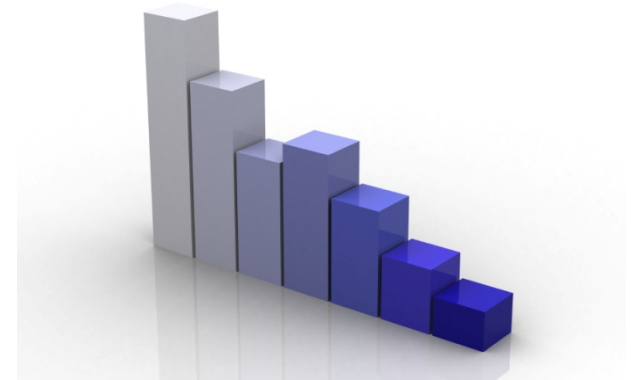
- Filing Was Done Automatically and Electronically (EDI 844)
- Vendor Response Was Less Than 48 Hours (EDI 849)
- Vendor Was Debited That Week Resulting in...
 - ◆ Improved cash flows
 - ◆ Increased margins
- Reconciliation w/ Accounts Payable Was Done Automatically



Case in Point...

Stuart C. Irby (Sonepar USA) Highlights...

- Before Automating the EDI/SPA Processing and Filing Process
 - ◆ Nine part-time employees in branches filed the claims
 - ◆ One person entered 2000 lines of product sales each month on a particular vendor's website
 - ◆ Missed \$60,000+ b/c handwritten claims were not legible



Case in Point...

Stuart C. Irby (Sonepar USA) Highlights...

- After Automating the EDI/SPA Processing and Filing Process
 - ◆ EDI efficiencies save \$33,800 annually
 - ◆ Reduced 'over 90-day' claims by 81%
 - ◆ Average claims dollars per month more than doubled from '05 to '06 with one person filing claims centrally
 - ◆ Approximate number of SPA's = 1,200



What Should You Look For in an ERP Software Provider?

- Embraces AND Supports Industry Initiatives
- Fully Integrated EDI Capability to Accept and Process 844, 845 and 849 Transactions
- Actively Participates in All Industry Events and Meetings Including NAED, IDEA and EBIZ

Serving customers well requires industry knowledge...

Who Supports the NAED EDI-Pro/SPA Standards?

- NAED – National Association of Electrical Distributors
- NEMA – National Electrical Manufacturers Association
- Most Major Lighting, Automation and Industrial Control Manufacturers

... and the List Continues to Grow!!

Participating Vendors

Allen Bradley / Rockwell	Bussman / Cooper
Cutler Hammer – Eaton	Cleveland
Crouse Hinds	EGS / Appleton
GE Industrial	GE Lamps
GE Lighting	Hoffman
Hoffman Enclosures	Ideal Industries
Phillips Lighting	Leviton
Osram Sylvania	Pass & Seymour
Panduit	Siemens Energy & Automation
Square D Company	Thomas & Betts

For More Information

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