B2BE
Business to Business e-Solutions

3M

3M

Country:
New Zealand

Industry:
Office Products

B2BE Solutions:
EDI

Business Objective

3M were looking for a partner to handle EDI connectivity with clients to help handle sales orders and Invoices electronically.

Business Benefits

At the end of the first year 3M has 20% cent of invoicing and Purchase Orders delivered electronically via B2BE.

| 3M cuts document re-keying with B2BE

It's just become a lot simpler to do business with 3M in New Zealand. All eight divisions are now able to process sales orders and Invoices electronically using B2BE's third party messaging service.

Getting your own internal business processes sorted is a prerequisite to a trouble-free relationship with a third party message broker and to convince supply chain partners of the merits of electronic trading.

3M shopped around for some time before deciding on a partner to help it handle sales orders and Invoices electronically but on reflection would have taken longer to get its own house in order before committing.

Ensuring internal systems and policies are sharply defined helps avoid errors and disappointing customers. "If we did it again I'd hold fire for a while. The first 12 customers were pretty painful," says 3M e-business development specialist Darryl Stewart.

"We had to re-engineer our pricing processes and systems because the system couldn't handle special promotions, quantity-based or date-based pricing or other special deals. We lost some credibility getting our orders right, so we decided to strengthen our internal platforms."

However Mr Stewart says 3M is past the difficult stage and now making a full commitment to electronic document interchange through partner B2BE (formerly called ECN in New Zealand). "A year ago there was a reluctance about dealing electronically, now people are a lot more informed and receptive and want to talk."

A company dealing with a single product line and one channel translating documents through an internal or external hub would find it fairly straightforward. For 3M, with eight different businesses covering 8000 products and a diverse distribution channel, careful planning and internal development was required.

Any File to Any Format

Orders from customers need to be converted into a format that can be read by 3M's in-house ERP system, an IBM MQ Series running on an AS/400, then Invoices and acknowledgements need to be returned.

"If our clients can produce a file in any format and get it to B2BE they'll build the translation maps and transfer it to our format. That works in reverse with our invoicing. Some ERP system autofax so we get them to produce a file which is sent by email to B2BE who convert it for us," says Mr Stewart.

The 3M catalogue range includes office products such as post-it notes and tape, medical and pharmaceutical products such as face masks and painkillers, commercial graphics like those on side of buses, health and safety face masks, reflective road signs, automotive and marine products, DIY hardware goods including sandpaper and specialised electrical products.

3M

To date the company has 20 percent of invoicing and Purchase Orders delivered electronically via B2BE, by the end of the year it's hoping this will be 60 percent. There's still some tweaking to do as 15 per cent of documents still have exceptions, which need to be manually dealt with. However, that's improving and freeing up customer service staff from re-keying data to a more 'customer facing' role.

Smaller customers are being encouraged to use the catalogue on 3M's in-house designed web-based site hosted in Canada which integrates with its systems.

B2BE Chief Operating Officer Andrew Carmody says part of the service is offering advice on how to get core systems operating efficiently so that all partners in the transaction benefit. "Often things like supplier codes might be incompatible and that needs to be adjusted so both parties can send and receive and act on the information."

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>
> Darryl Stewart, 3M e-business Development Specialist.

Track and Trace

B2BE sees itself as a 'messages and services provider', ensuring messages get from A to B and providing web-based visibility so customers can track and trace where orders are in the system. The services can be provided by stand-alone software but B2BE takes much of that complexity out of the equation for companies that deal with many product lines and many partners in the supply chain through its hub.

Its rules-based database is an any-to-any structure whether its EDI or XML. "We handle a lot of different inbound formats and structures, and based on rules turn that into something else."

B2BE NZ has a wide range of customers including the building supplies firms Carters, ITM, MasterTrade and Plumbing World.Its largest customer is New Zealand Customs, which includes freight forwarders, Customs agents and the transport logistic areas such as shipping companies and TranzRail. For many of these organizations B2BE is a key link in the distribution side of the supply chain.

Its services equally appeal to smaller companies that can't integrate their orders into their ERP or back-end systems, or indeed don't have either. People can simply log on and pick up orders, send an Invoice or Purchase Order Acknowledgement. It's sending Invoices to a couple of hundred of their customers and by default dealing with about 800 customers of theirs.

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