

Mitsui USA High Tech Division Automates Multi- Millions Part Inventory with Community Supply Chain Management (C-SCM) Solution from Amitive

amitive™

In the high tech and consumer packaged goods (CPG) industries, suppliers are moving around tens of millions of pieces annually. The most successful suppliers are able to do that without keeping any excess inventory – a daunting task. One high tech manufacturer made this happen with superior management of its supplier community.

This New York-based technology company provides parts for the CPG market of a global high-tech manufacturer. With millions of parts moving around between suppliers and retail end customers at any given time, the company must create the right balance between supply and demand in order to best manage inventory.

In the world of high tech, where units have a short shelf life, suppliers cannot afford to keep lots of inventory on hand “just in case.” Thanks to Amitive, this customer improved its focus on lean manufacturing and Just in Time (JIT) inventory management, which are the backbone of business efficiency and profitability.

The Challenge:

Moving Millions of Pieces in a Fully Self-Billing JIT Environment

To maximize product velocity and support JIT manufacturing, virtual manufacturers need to efficiently manage a diverse community of trading partners. Within this new reality of community-driven supply chain management, this CPG company faced several challenges, including:

- Managing planning, procurement and balancing of inventory in a high volume, high transaction industry, which has tens of millions of parts moving annually and hundreds of sales transactions weekly;
- Integrating with the customer’s ERP system via RosettaNet, the industry standard (albeit a rigid solution) for inter-company connections within the high tech industry; (see sidebar)
- Minimizing inventory in an industry that has a short shelf life, while also ensuring that top retailers don’t experience stock outs.

Traditional supply chain management (SCM) software could not address these interdependent challenges holistically, so the company sought a more comprehensive, automated solution.

The Solution:

Automating Sales and Distribution Operations

Amitive’s community supply chain management (C-SCM) solution fully automates the sales and distribution sides of the supply chain.

“The sheer number of transactions would take longer for people to manual enter than it would for the product to move through the supply chain. With Amitive, 100% of the sales are self billed and reconciled without human interaction.

– Director, Supply Chain, Mitsui USA High Tech Division

Amitive enabled the company to:

- Aggregate hundreds of retail customer demands to make more efficient components buying decisions;
- Manage inventory at a site location as “consignment inventory,” and fulfill inventory in a real-time environment, based on a correct forecast;
- Fully automate reconciliation of sales and billing;
- Access real-time information about the state of the flow of components across the supply community and the impact on meeting customer demand via a single, community-focused “software as a service” (SaaS) platform.

Results with Amitive

By automating supply chain management across the entire community with Amitive’s C-SCM solution, the CPG company realized the following benefits:

- End-to-end automation of the entire business, from planning and procurement, to supplier and customer fulfillment;
- Fast, accurate communication and real-time visibility of information across entire community;
- Collaboration and synchronized view of demand across partner community, which led to improved decision making;
- Reduced inventory, due to easier identification of goods within the threshold of contracts, and improved quality of components;

Integration, Communication Characteristics:

- RosettaNet to and from the customer for forecasts, sales orders, warehouse transfers/ demand pulling/ balancing
- Integration with SAP ERP system
- Manual purchase orders to suppliers –orders are downloaded to Excel, reformatted and sent to suppliers

“In this high volume, high transaction industry, managing inventory is a constant balancing act. With their web-based community supply chain management solution, Amitive has helped us to automatically link JIT inventory with real-time demand.”

– Director, Supply Chain, Mitsui USA High Tech Division