



Case Study: An International Supply Chain Pilot

OVERVIEW

Globalization is more than a far off notion to small and medium manufacturing enterprises (SMEs); it's the state of competition today. If SMEs cannot meet the needs of their customers, they can find themselves easily replaced by an SME across the street or across the border. With that in mind, both foreign and domestic SMEs are seeking new sustainable competitive advantages. Electronically integrating their supply chains with their partners, as a way to improve efficiency, reduce costs, and improve customer service, is one promising avenue.

Inner Circle Logistics (ICLogistics) has developed a uniquely powerful supply chain software solution that allows SMEs and large corporations to do just that. The technology has the ability to integrate a supply chain, from SMEs to large corporations, while overcoming differences in infrastructure, platform, and technology sophistication. With the completion of the software solution, ICLogistics was seeking to validate its technology and assembled a group of key stakeholders to undertake a pilot project. Besides ICLogistics, the stakeholders included:

- BDP International, an international shipping and logistics company
- DC Mexico, a Mexican fabricator of die cast aluminum parts
- Metz Tool and Die, a US tool and die maker
- Microsoft, to supplement the technology's messaging functions and handle XML-EDI exchanges
- The US Agency for International Development's Global Trade and Technology Network (GTN), a federal program seeking improved technology for its trade matchmaking platform

If the quality and quantity of information available to and from customers were better, it would help planning...With visibility to open POs, life would be easier. One could plan for delivery lead times, export customers and production time on the shop floor.

**-Richard Bernier
VP, DC Mexico**

Metz Tool and Die and DC Mexico were existing business partners with a transacting relationship comprised of fax, email and paper. Under current conditions, DC Mexico might solicit a quotation from Metz Tool and Die by email, accompanied by an overnight package containing the engineering specification documents. The pilot project simulated the power of electronically integrating Metz Tool and Die, DC Mexico and BDP International's currently manual processes from request for quotation (RFQ) to invoice. The document exchange simulation, conducted on 10 April 2003, involved the electronic transfer of an RFQ, a quote, a purchase order, status updates, a specification change, an invoice, and receipts. One of the most

powerful elements of the pilot was the ability to send, receive, and share engineering specification documents electronically, as part of the request for quotation.

RESULTS

The results were impressive with regard to lowering processing time, cost, and order cycle time. It is estimated that once the solution is fully enabled at both DC Mexico and Metz Tool and Die, the companies could see a combined savings of close to US\$62,500 annually, by using a software solution that retails for US\$1000. The solution also improves information availability and creates visibility, thereby producing the opportunity for benefits in customer service, decision-making and competitive positioning.

All the participants deemed the pilot a success, so much so that both participants and those familiar with the pilot's results are anxious to fully deploy ICLogistics' solution. Since the pilot's conclusion, GTN has signed a contract with ICLogistics to make ICLogistics' Scarborough Fair the basis for its next generation trade facilitation platform. GTN believes that ICLogistics' technology has the power to substantially grow the trade network, improve its transacting capability and impact global commerce. The roll out of ICLogistics' technology in the 39 countries in which GTN operates is now underway.