

Collaboration with suppliers: BTicino chooses Joinet



The supplying process domination was the last step of a project, which brought BTicino to learn about Integrated Logistic Chain. To Collaborate and Communicate with one's suppliers are not only concepts and philosophies on the paper. Today they are a need for those companies, where logistics has primary importance in the management and renewal of all firm flows. The market requires increasing flexibility, high level services and cost reduction. The response from BTicino is a partnership model offering positive advantages to the supply process. The service employed as a supporting tool to this new management is MaNeM, developed by Joinet. This is the ASP solution recently awarded at the Eurobylogistics convention bearing the title 'put logistics to work'.

COMPANY AND MISSION

The guiding philosophy of BTicino in Research & Development, as well as a the driving concept of a market leading company, present in over 60 countries in the world, is the following: *"if there is something new to be studied and realized in the electric material and installation field, then we must do it first"*.

BTicino has production centers in 8 world countries (Mexico, Costa Rica, Venezuela, Colombia, Peru, Chile, Egypt, and Thailand) and in Italy it possesses 7 industry plants with distribution center. Approximately 5,800 employers make the history of its products.

BTicino in Italy: 22,000 catalogue items, 30,000 references for direct purchase products, 400 suppliers, 750 active customers. These figures only partially explain the company management complexity.

THE HISTORY OF THE SCM PROJECT AND OF THE COLLABORATIVE PLANNING

It was not possible to create a new Integrated Logistic Chain along the whole production chain without starting from the market and an advanced planning system.

The project's first steps went this direction: a new client portal, a DRP (Distribution Requirement Planning) and an APS system. Afterwards the problem of the activities connected to supplying process was dealt with. In the opinion of Alessandro Salmoiraghi, Supplying Manager of the Logistic Department, in order to manage a wide and diversified customers' portfolio, and to give stability to supplying plans, it was necessary to have tools and a new philosophy in particular, to pass from a traditional relationship with suppliers to partnership, clear and circular communication.

There were evident real problems: difficulties in the exchange of orders, lack of information, non-univocal language, ambiguous data content. Criteria like production capacity, flexibility, commitments were not part of the 'game's rules' and were kept secret in the past. Consequently, 'the new game's rules' shared by supplier after supplier were the basis of the whole Collaborative Planning and, in Mr. Salmoiraghi opinion, played an important role in the success of the Collaboration custom.

The other project's pillars concerned the following necessary instruments:

- Planning. A module was necessary to manage in an integrate manner capacity and flexibility on the basis of families of homogeneous codes.

- Communication. BTicino need was to have a real time dialogue in alignment with the suppliers' logistic processes.

SOLUTION OVERVIEW

AZIENDA:

- BTICINO

SOLUZIONE JOINET:

- MaNeM

BENEFICI:

- Fast implementation time
- Tool's functionalities with different integration levels
- Decreased of unnecessary fax messages, print copies, telephone calls
- Service more successful, efficient, rapid and clearer
- Average supplying lead time reduced

THE COLLABORATIVE PLANNING STEP BY STEP

The project definition was certainly the most demanding phase. The Team dealing with the study and implementation – guided by the Supplying Department – involved 3 BTicino inner structures, the Systems Organization Department, the Purchase Central Department, the Control and Operative Planning and Joint Team as an outside structure.

Basically, there were 4 points to be dealt with: the list of approved suppliers, the collaboration logic, the software choice and implementation.

The survey on the list of approved suppliers was studied into detail in order to obtain two types of information: the degree of inner structuring (computer, planning, quality, control tools) and the degree of collaboration attitude. The results showed that BTicino list of approved suppliers is placed in a high segment,



both for its organization level and the will to assimilate innovation. The link between these two phenomena is evidently very strong. As a consequence, a first restricted list was created, on which to test the Collaborative Planning and the quantification of the total amount of suppliers, with which to adopt strategic collaboration.

Another fundamental activity was the selection of the technological Partner. The indispensable functionalities were the management of the order passive cycle, the possibility to monitor the information flows, the use simplicity and the quality-price ratio. After consulting with several Software Houses, among which were SCM, ERP, EDI specialists, MaNeM (Manufacturing Network Manager) was chosen.

The choice: why MaNeM? First of all, it met all checklist requirements. Then, it implied very short implementation time, allowing to save in resources and structures employed. This tool's functionalities also permitted different integration levels, from WEB-EDI to simple Browser use. Moreover, the structuring into modules made it possible to use only the necessary activities. Finally, it could be extended totally cost free.

TODAY

In March 2002 the Collaborative Planning started on 8 suppliers, after about 2 months of implementation. Today 48 companies use MaNeM to receive orders and forecasts, to re-plan deliveries, exchange all useful information and management criteria. 5 of them have already integrated MaNeM directly in their management system, reaching a B2B relationship. The implementation times were met and this tool proved to be solid and easy to maintain.

"Today we send most of the orders we issue weekly through MaNeM [...] This tool allows us to continuously check in real time the management activities". In Mr. Salmoiraghi opinion, the pre-arranged goals were reached on the whole. Once unnecessary fax messages, print copies and telephone calls were eliminated, benefits stood out. The service is more successful, efficient, rapid and clearer. The activity with suppliers intensified. The average supplying Lead Time was strongly reduced, the indexes showing plans' compliance sharply improved and this is partly MaNeM merit.

MaNeM[®]
Manufacturing Network Manager