Advantage Sales & Marketing

TrueCommerce Datalliance Platform

Advantage Sales & Marketing Adds Client Value with Outsourced VMI using TrueCommerce Datalliance

SUMMARY

- ➤ VMI program execution is an important ASM client service

- ➤ Outdated legacy platform could not support level of service ASM wanted to deliver clients

- ➤ Transition to TrueCommerce Datalliance went smoothly while delivering consistent or better results for clients

- ➤ TrueCommerce Datalliance now provides a highly reliable platform with rich functionality to support growth of ASM's VMI client base

TRUECOMMERCE DATALLIANCE VMI DELIVERS

(Example ASM client during 3-month start-up period)

➤ Managed a 63.7% holiday season demand increase

➤ Increased turns from 16.6 to 19.1 (up 15%)

➤ Increased service levels from 96.9% to 97.4%

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Greg Tolman
ASM's Transition Project Manager

BACKGROUND

Advantage Sales and Marketing, LLC (ASM) is a premier consumer packaged goods sales and marketing company committed to building brand value for clients and customers. ASM's customized sales and marketing solutions include headquarter sales, retail merchandising and marketing services for the Grocery, Foodservice, Convenience, Drug, Dollar, Mass/Warehouse, and Natural/Specialty classes of trade.

ASM's mission is: "To create outstanding value for clients and customers through superior sales execution, operational excellence and innovative marketing services". In support of that goal, ASM puts an emphasis on deploying best-in-class technology, utilizing the most complete technological and innovative solutions in the industry. This emphasis on new technology has given ASM the unique ability to meet the needs of national and global clients.

Headquartered in Irvine, California, ASM has over $1.4 billion in revenues, 30,000 associates and 66 offices in the United States and Canada. ASM provides a variety of services to more than 1,200 clients, including many of the largest and best-known consumer product manufacturers.

VMI OFFERED AS IMPORTANT VALUE-ADDED SERVICE

ASM offers VMI program management and execution as part of the company's portfolio of Order-to-Cash business process outsourcing services. The company has been managing Vendor Managed Inventory (VMI) programs for clients since the late 1990's and has a team of experienced VMI analysts located around the country.

ASM's goal is to provide clients with world-class VMI programs that maintain high availability to drive sales up while minimizing inventory levels to keep warehouse costs down.

ASM enables smaller suppliers who might otherwise not have the experience or resources to perform VMI to do so for key retail partners in an affordable manner. ASM also enables some of the world's largest consumer product companies to cost-effectively perform VMI for select retailers and product lines by leveraging their existing interfaces and platform. "Outsourced VMI program management is a natural extension of the retail sales services we provide our clients," says Sandy Yob, ASM Vice President, Order to Cash. "We already understand their business and products, and because we have experience running VMI programs, we can provide a level of service and expertise consumer products companies just can't find anywhere else."

PREVIOUS VMI PLATFORM

"In order to deliver against our clients' objectives, we've always recognized the need for IT platforms that are highly functional and productive," says Phil Ben-Joseph, ASM Director of IT and BPO Services. "As our number of VMI clients grew, we researched additional VMI platforms to determine if we could benefit from a change in providers. Our current system had been highly customized over the years and vendor support was limited due to the customization."

TRUECOMMERCE DATALLIANCE CHOSEN AS NEW GENERATION VMI PLATFORM

As it happened, just as ASM was beginning to look for a better VMI platform, the company was tasked by a new client to take over operation of its existing VMI program from another outsourcing service. That program was being run using TrueCommerce Datalliance VMI and ASM made the decision to keep it that way for at least a period of time. "We quickly saw that the TrueCommerce Datalliance platform and supporting service was far more productive for our analysts," says Ben-Joseph. "Based on our hands-on experience, it was easy to see that we had found our new-generation platform and the decision was made to move all of our client programs to TrueCommerce Datalliance."

SMOOTH TRANSITION

ASM and the TrueCommerce Datalliance customer care team transitioned all existing VMI clients to TrueCommerce Datalliance within just a few months' time. That included a period of parallel operations to be sure no client or customer experienced any disruptions. The entire change-over was done on schedule and on budget. The legacy system was eliminated along with all of its expense.

Greg Tolman, ASM's transition project manager commented on his experience working with TrueCommerce Datalliance during the transition: "I was very impressed with the quality of support we received from the TrueCommerce Datalliance customer care team. I've been involved with quite a few new system roll-outs and I have to say that TrueCommerce Datalliance provided the best support I've ever experienced from a solution provider in any of those projects. They are a part of the ASM team. They know what they are doing and are very responsive. They've made a huge difference for us and have been a pleasure to work with."

Scott Kleinert, TrueCommerce Datalliance Director - Consumer Goods, commented on his experience working with ASM during the transition: "Working with ASM made the transition smooth due to their long term experience working with VMI solutions. The client interfaces were simple as ASM was able to utilize their experience with the retailers and provide a standard interface to TrueCommerce Datalliance. That made for a quick on-boarding process."

DELIVERING EXPECTED RESULTS

Today, ASM is using TrueCommerce Datalliance to manage daily VMI operations for 20+ clients supporting over 130 distribution locations and more than 11,000 SKUs. Client VMI Programs run by ASM are managing inventory for many of North America's leading retailers as well as military exchanges.

Products range from packaged, dairy and frozen foods, to alcoholic and non-alcoholic beverages, to personal care and household cleaning products.

ASM has been performing VMI very effectively for some time, so as expected, key sales and inventory metrics using TrueCommerce Datalliance continued to be very good during start-up even though that was a period of spiking seasonal demand for several ASM clients. For example, ASM using TrueCommerce Datalliance VMI helped one client – a provider of frozen foods whose demand increases significantly in the holiday season – see a 63.7% increase in demand around Thanksgiving while increasing turns from 16.6 to 19.1 (up 15%) and increasing service levels from 96.9% to 97.4%.

That was just one example of ASM's ability to maintain a high level of performance while moving to TrueCommerce Datalliance. Overall, across all of their client's customer locations (excluding an unusual case with distribution center closings) and

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a broad range of products, ASM delivered improved service levels with equivalent inventory turns during the first few months – a challenging period where overall sales increased nearly 19%. A number of clients saw simultaneous improvements in both availability and inventory turns. In addition, ASM added new clients and new client/customer programs during the same start-up period.

"Our analysts adapted to the TrueCommerce Datalliance system very quickly," says Tolman, who also manages part of the VMI team on a day-to-day basis. "TrueCommerce Datalliance provided excellent support for our people as we learned how to effectively use the system."

TRUECOMMERCE DATALLIANCE IS ASM'S FOUNDATION FOR VMI SERVICE GROWTH

With TrueCommerce Datalliance as the foundation, ASM is now positioned to further expand its base of VMI business process outsourcing clients.

"With TrueCommerce Datalliance in place, we're more capable than ever to run client VMI programs of any size," says Yob. "We can more efficiently on-board new clients and we can scale our teams more easily. TrueCommerce Datalliance also opens up new capabilities for information sharing between our clients and their customers, which means we're all in an even better position to collaborate on building sales. And that's what it's all about."

ABOUT TRUECOMMERCE

TrueCommerce revolutionizes trading partner connectivity, visibility, and collaboration by linking suppliers, retail hubs and end consumers in one global commerce network. From the factory to the warehouse, from distributor to retail storefront, achieve new levels of business connectivity and performance with the world's most complete commerce network.

Connect. Integrate. Accelerate.

THE TRUECOMMERCE DATALLIANCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce Datalliance and VMI, or how it applies to your business, our passionate, focused team is here for you.

Call us today at 513.791.7272

www.datalliance.com