

NOVEMBER 2007

Manufacturing Business Technology

mbtmag.com

8 SAP's midmarket SaaS


26 Global integration goals

34 The Lean IT organization

44 Microsoft on the plant floor

Heads above water

Mercury Marine balances freedom
and structure in global design **p 20**

 Reed Business Information

Patrick C. Mackey
president
Fred Bellio
director

**MESA supplement
inside**



Commercial tools boost partner connection in the value network

Companies are more interdependent than ever. As a result, manufacturers must not only communicate instantly, but collaborate efficiently with customers, suppliers, distributors, outsourcing partners, and service providers. Fortunately, the options for e-business are much more robust than they were during the dot.com boom a few years ago.

Recent conversations with an array of solution providers prove they are taking this aspect of the market seriously. No matter how good

and inventory in the office and in the field.

RFID also enables applications for inventory visibility and management across a value network. In addition to the major supply chain players—e.g., HighJump, i2, Manhattan, and RedPrairie—as well as some ERP players, specialists like OATsystems focus on tagging at the source and internal tracking. For RFID to bring substantial value to the supplier—not just the buyer—internal tracking beyond “slap and ship” is critical.

Some companies phase in such value to their partners. The U.S.-based operations of Oriental Motors, a Japanese manufacturer, tapped into InfoStreet's StreetSmart CRM /portal/ workflow software to communicate with its distribu-

Now manufacturers can leverage commercial software rather than build partner-connection tools on their own.

tor network. ERP, SCM, CRM, and product development systems are for internal purposes, partners need special capabilities that reach securely outside a company's firewall. Now manufacturers can leverage commercial software rather than build partner-connection tools on their own.

Perhaps the most common type of partner communication is through electronic data interchange (EDI). The challenge for most companies is making it affordable for smaller partners, so Web-based systems that can get the process off of paper and fax and into full electronic form in hours will be of major benefit.

Retailers and manufacturers have been doing this with systems from InterTrade, Seeburger, and SPS Commerce. Many EDI-over-the-Internet applications also integrate with enterprise systems. This is a critical piece to fully automate communication for all parties.

Taking the value for suppliers a step further than EDI-over-the-Internet, ClearOrbit adds bar-code labeling and data collection for increased compliance. VMT Software's Velocity adds point-of-sale, RFID, and all sources of inventory data in addition to EDI—giving consumer goods makers a coherent view of sales

tor network.

“We laid out three stages for this system,” says Dan Hebeisen, national distribution manager for Oriental Motors. “First is sharing marketing information; second is allowing distributors to track orders and share their own information; third is seeing their leads online.”

While this required InfoStreet to build custom capabilities on its platform, it is still better than developing in-house as originally planned.

“Cost is the biggest factor,” says Fernando daRosa, Web and marketing project supervisor. And according to Hebeisen, “Doing it internally would have taken much longer. Benefits would have been delayed.”

Speed and total cost are the benefits of commercial software. Whether your most critical connection lies with suppliers, customers, or distributors, there are many solutions available to develop relatively customized applications that help both you and your partners. This time, e-business is booming quietly, and the bubble will burst for those who do not participate rather than those who do.

Julie Fraser

is Principal of Industry Directions Inc., and has been an industry analyst, consultant, and marketer for more than 20 years, specializing in manufacturing value network processes and systems. Julie can be reached through Manufacturing Business Technology or e-mail at jfraser@industrydirections.com