

## Increase procurement efficiency with eCatalogue services

### Case Study Background:

Arnold Laver Timber World processes 500,000 purchase orders each year from 28,000 customers. Like most suppliers in the construction sector, Arnold Laver needs to reduce the proportion of poor quality purchase orders (PO's) it receives as well as being able to meet 'Next Day' and 'Just in Time' delivery requirements. Poor quality or inaccurate PO's introduce a real risk that Arnold Laver might



deliver the wrong products or materials. When this happens, the contract will be frustrated with potentially costly production delays while the mistakes are corrected, and in the meantime, the Arnold Laver's cost base increases through additional transport costs and delayed income as well as their customer focus credibility suffering. Being able to meet increasingly demanding delivery requirements further challenges conventional paper-based PO to delivery fulfillment processes.

### Solution:

Arnold Laver have put an efficient eTrading strategy in place to deliver all or part of their product catalogue content in eCatalogue format. The eCatalogue content is sent to the COINS-eCatalogue service centre where it is loaded into a COINS compliant web catalogue for each of the buying organisations, and is made available on a 24/7 basis. Arnold Laver receive the ePO's and sends out eAdvance Shipping Notices (eASN's) prior to delivery and eInvoices once the POD is processed.

### COINS-eCatalogue Services:

The COINS-eCatalogue service is available to the buyer when the PO is raised and mitigates the risk of misquoting product details by providing the buyer with all the necessary tools to search for, and select, the required products from a web-based eCatalogue and to automatically fills-in all the required product details in the COINS PO. The COINS-eCatalogue service removes all the risk of misquoting supplier product codes, product descriptions and units of measure on the PO as the product information (content) contained within the COINS-eCatalogue is provided by the supplier together with the agreed contract prices. The resulting PO has more accurate detail line information, has taken less time to produce than a conventional PO and has been produced through the most cost-effective procurement route available (see diagram 1).

### COINS-etc Transaction Delivery Services:

Once the PO has been completed by the buyer and appropriately authorised and committed within COINS, the most efficient and cost effective mechanism to ensure that the supplier actions the PO in a prompt, accurate and professional manner is to deliver the PO electronically through the COINS-etc eTrading Hub. The resultant ePO is received directly into suppliers back office application to be processed and for the delivery to be arranged. There is no data entry by the supplier accounts receivable team and therefore no likelihood of introducing additional clerical or transposition errors. Delivering the PO electronically (ePO) saves all the paper handling cost and saves time and process cost for the buying organisation, it also saves data entry time, reduces process time and cost and ensures PO accuracy for the supplier.

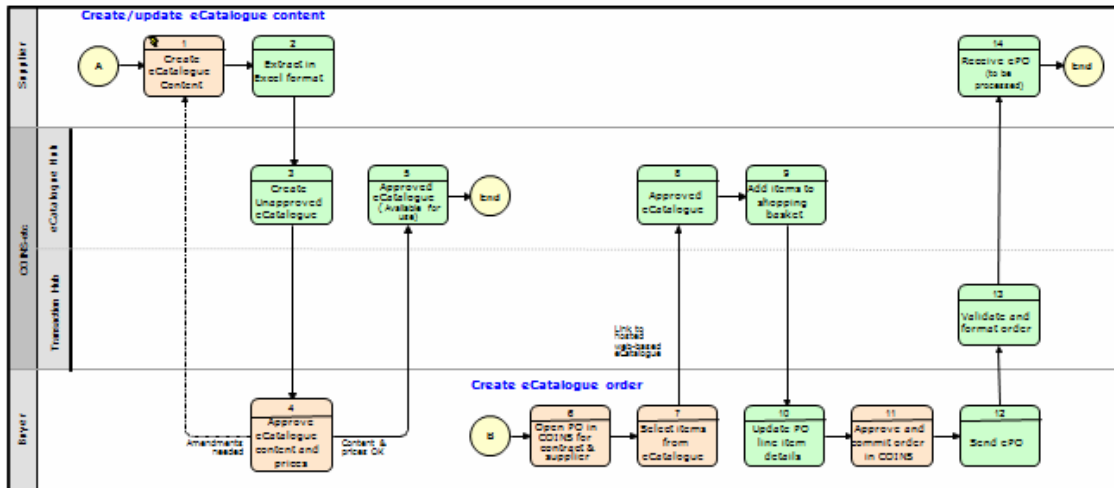


Diagram 1: Creating an eCatalogue and raising an eCatalogue order process

### Benefits summary:

Process	Buyer Business Benefit	Supplier Business Benefit
<b>Raise eCatalogue PO</b>	<ul style="list-style-type: none"> <li>Increases procurement productivity</li> <li>Improves PO quality</li> <li>Saves time and process cost</li> <li>Improved control over product usage – procurement professionals control eCatalogue content</li> <li>No need to store paper catalogues</li> </ul>	<ul style="list-style-type: none"> <li>Reduced risk of misinterpreting product requirements on PO</li> <li>Improved quality and accuracy of PO details lines</li> <li>Faster more accurate PO is produced</li> </ul>
<b>Process PO</b>	<ul style="list-style-type: none"> <li>Faster 'PO production to delivery' cycle</li> <li>Saves procurement time and process cost</li> <li>Removes paper handling</li> </ul>	<ul style="list-style-type: none"> <li>Removes PO data inputting</li> <li>Faster 'PO receipt to delivery' cycle</li> <li>Removes paper handling</li> </ul>
<b>Deliver Goods</b>		Increased accuracy of deliveries
<b>Receive Goods</b>	<ul style="list-style-type: none"> <li>Faster and more reliable delivery of the correct products</li> <li>More consistent documentation</li> </ul>	
<b>Produce and deliver AP invoice</b>	<ul style="list-style-type: none"> <li>Almost 100% likelihood of first time match against PO</li> <li>Saves time and process cost</li> <li>Increase operational efficiency and AP staff productivity</li> <li>Reduced queries</li> </ul>	<ul style="list-style-type: none"> <li>Faster delivery of Invoice</li> <li>Faster clearance of the invoice for payment</li> <li>Increase opportunity to reduce DSO</li> <li>Reduced queries</li> </ul>

### Arnold Laver Business Profile:

Arnold Laver Timber World is one of the leading UK independent timber merchants with a network of branches across the country. They stock over 27,000 products ranging from a vast array of hardwoods and softwoods, to panel products, decorative surfaces and kitchens, and provide next day and 'Just in Time' delivery services to their customer base.

Arnold Laver Timber World's continual focus on providing industry leading customer service and delivery management is a key business driver for them to continue to invest in eTrading technology and providing advanced eCatalogue services.