



Case Study

Going for the Team Gold: An IMARK Group eCommerce initiative inspires four distributors to collaborate and collect.

Four electrical distributors from Buffalo, NY demonstrated teamwork and collaboration to reach the goals set by IMARK's eCommerce program. Quermbach Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley utilized IDEA's Industry Data Exchange (IDX) to reach IMARK's highest eCommerce tier by the 2009 deadline.



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Roger Cleary
President
Davis Electrical Supply

Background

The IMARK eCommerce program offered a cash incentive for IMARK members to complete a check-list of six eCommerce criteria and to implement 850 (purchase orders) and 810 (invoices) electronic data interchange (EDI) transaction sets with at least five IMARK Preferred Suppliers. IMARK members that did not meet the minimum criteria incurred a monetary fine effective 2009. Those that met the minimum criteria, Bronze tier, received a check from IMARK. The check amount and the criteria increased with each tier: Bronze, Silver and Gold.

Challenge

To find a cost effective and simple way to conduct EDI with trading partners to meet the IMARK eCommerce initiative criteria. Quermbach Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley are all relatively small distributors (15 – 40 employees) located in or near Buffalo, NY. These companies did not have the time or resources available to set up and conduct native EDI with their trading partners. Furthermore, the fixed cost to implement EDI technology would not be worth the variable EDI efficiency savings based on their total annual transactions. Each company needed a cost effective way to conduct EDI with trading partners to meet the IMARK eCommerce program criteria by 2009.

Solution

Join forces and utilize IDEA's B2B eCommerce solutions. "We embraced the IMARK program because we know IMARK has our best interests in mind. EDI is not the wave of the future – it is here now. Distributors of all sizes need to embrace it to get ahead of the curve and stay economically sound in the future," said Roger Cleary, president, Davis Electrical Supply.

Quermbach Electric, Davis Electrical Supply, Andersen Electric Supply and L.A. Woolley discovered they had more in common than IMARK membership while researching ways to integrate EDI with their business processes. They also use the same enterprise resource planning (ERP) software system, ERP technical consulting partner and buy product from many of the same suppliers. Careful consideration led to a mutual decision to collaborate and master EDI.

about case study This study was conducted through a series of interviews in 2008 and was updated after all four companies reached IMARK's Gold tier in 2009.





“All four owners recognized the opportunity to cut costs and increase efficiencies by creating one standard process to engage in eCommerce with trading partners. We are friendly competitors who want to maximize the benefits from our eCommerce efforts,” said Peter Quermbach, president, Quermbach Electric.

IDEA was jointly selected as the group’s eCommerce service provider, utilizing Industry Data Exchange (IDX) to conduct EDI transactions. Andy MacVie, IT Manager for Quermbach Electric, worked with IDEA and ProServe, their mutual ERP technical consulting company, to begin the process. They chose Flat Files to conduct EDI through an IDEA value-added service that translates Flat Files to EDI documents. The company representatives worked with IDEA to reach a consensus on the Flat File formats, and then they were able to exchange EDI documents with trading partners using IDX.

“Each supplier has unique needs and our company does not have the capacity to collect the requested information and send it in the preferred format each time we want to conduct eCommerce with a trading partner. IDEA is the perfect middleman for us. They find out what the suppliers need and make eCommerce happen,” said Cleary.

An agreeable MacVie stated, “IDEA was an extremely effective liaison to our suppliers. They worked with me day-to-day and were able to facilitate the process of establishing a mutually-beneficial electronic relationship with our trading partners.”

Result

They got more than gold. The teamwork demonstrated by the four distributors paid off. Each company is now engaging in eCommerce with multiple suppliers and they are already discussing more ways they can work together in the future. They each met IMARK’s minimum criteria and reached IMARK’s Gold tier status by 2009.

“None of us really believed that EDI could financially benefit our company outside the IMARK incentive program due to our company size but the benefits of eCommerce are undeniable. We are already noticing quicker order fulfillment and we are now positioned to receive electronic price updates. Why would we stop now? EDI is just the beginning; we want to take advantage of everything eCommerce can offer,” said Cleary.

The accomplishments of these four distributor companies demonstrate that the impossible can be done when people work together to utilize the best resources and technology along the way.

MacVie was extremely enthusiastic with the end result, “It is time to break out the balloons and confetti and chill the champagne. The IMARK webpage shows that Quermbach Electric has crossed the finish line for the Gold level. And they said that it couldn’t be done.”

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Andy MacVie
IT Manager
Quermbach Electric

about idea IDEA, a business-to-business solution and professional service provider, was born of the electrical industry in 1998. IDEA was founded through a partnership rooted in the collective leadership, vision, wisdom and expertise of NAED and NEMA members.

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