

INDUSTRY:

Apparel and Footwear

CUSTOMER PROFILE

CONTAX worked with a large apparel manufacturing company based in the United States with production facilities in South America. In business for over 30 years, they are committed to developing innovative and cost-effective solutions for their customers.

THE CHALLENGE

Manual system for transferring data to the factor was time consuming.

THE SOLUTION

Using EDI, they were able to automate the process

THE RESULTS

Huge reduction in man-hours spent on the approval and ordering process

APPAREL AND FOOTWEAR COMPANY CHOOSES CONTAX TO AUTOMATE THEIR FACTORING PROCESS USING EDI

The Challenge

Our client was faced with a very manual system of transferring files and data to their factor. They also did not have the right authorizations around credit releases.

This was consuming vast amounts of time from their finance team. The lack of control and manual nature of the process meant that it was very error prone.

The Solution

CONTAX worked with them to design and implement a solution which included standard SAP functionality for credit management and EDI integration with their factor, a large financial institution. This included built in rules for handling the credit, and the ability to have credit automatically approved on a customer by customer basis. The customer master was then mass updated with credit control information to make use of this new functionality.

The EDI piece of the solution included two transactions. First, an 850 to send from our client to the financial institution with details of the order and customer that needed approval. Second, an 870 back from the factor to our client indicating whether the credit was approved or rejected for that customer. A notification was sent out to the finance team for those that were rejected so that appropriate action could be taken.

Utilizing IBM Sterling's B2BI system, these transactions were mapped according to the specifications provided by the factor. They utilized SAP IDOCs to correctly pass the information in and out of the system.

The CONTAX team worked closely with our client's finance team and the financial institution's team to implement, test and deploy the solution.

The Results

Once the project was live, our client found a huge reduction in manual time spent handling their credit approvals in the ordering process. The automated process now seamlessly runs throughout the day sending data back and forth between them and their factor.