



CHACO, INC.

Chaco, Inc. puts their best foot forward gaining efficiencies and a new perspective on supply chain optimization

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For 15 years, Chaco, Inc. (Chaco) has been making sport sandals and boots in the rural town of Paonia Colorado. The company started as a custom shoemaker and today is a rapidly growing manufacturer of high-quality, environmentally friendly footwear selling to 1500 retail outlets around the world. Chaco's steady growth and increasing demand has sparked significant changes over the last few years. In 2004 Chaco expanded their warehouse and shipping facility and also introduced it's footwear to the European market. Chaco is currently processing more than 25,000 orders annually and chooses not to advertise their products; opting to donate 3% of after-tax profits to organizations dedicated to caring for people and the environment. Like other consumer product manufacturers selling to retailers, Chaco was charged with meeting complex customer requirements that proved to be inefficient for their business.

Business Challenge

"For most customers our EDI solution was working," said Ed Pearsall, ERP Analyst with Chaco, Inc. "The problems started when one of our largest retailers asked us comply with their EDI program. Our customer's program required us to receive and send EDI documents outside of the spectrum of sales orders and invoices using fulfillment and shipping data we didn't easily have access to. Our 7 month struggle to become compliant was costing us precious time and money."

Chaco enlisted the help of their existing EDI partner to integrate functionality into Microsoft Great Plains so Chaco could produce customer-specific UCC Labels and Advance Ship Notices. While they thought the EDI vendor had an integrated solution to Chaco's warehouse management system, it turned out the integration was available for the newest version only. The vendor didn't understand Great Plains well enough to complete the integration. After seven months of trying to get the EDI system to meet this retailer's requirements, the vendor gave up; leaving Chaco on a quest for another solution provider.

"Executing orders for this retailer was extremely time consuming," said Pearsall. "Every order took approximately an hour to process. Two of our employees were interrupting their standard workflows to manipulate Great Plains in order to produce the data we needed to transmit compliant EDI documents."

It was taking Chaco approximately 1 hour to process a order from their customer—a leading, nationwide upscale department store. They utilized a web portal to bring in electronic sales orders, and deployed a "rip and read" process of printing the EDI document and having an employee review it and key it into the Great Plains system. The manual review process took time and if there were questions or suspected mistakes, the employee had to stop their standard business process and figure out how to fix the order. An additional 10 steps were required to get the order to the warehouse, bring the fulfilled order data back to Great Plains, manipulate tables within Great Plains to print a label, and send an Advanced Ship Notice.

To make matters worse, the retailer required all vendors to supply electronic product data via the EDI 832 Price/Sales Catalog document to their outsourced product database hosted by QRS/Innovis. Chaco was required to pay a monthly subscription fee for the QRS/Innovis service to transfer and update approximately 800 SKUs. Chaco was paying the monthly fee each month and yet not able to transfer required product data.

QRS/Innovis acts as a product database for many large retailers in the US. As suppliers electronically update the product database with correct product data, retail buyers can enter the QRS system, and place orders for products using accurate product information such as SKUs, Item Numbers and pricing. QRS/Innovis then passes orders via EDI to the appropriate supplier to be fulfilled.

AccellosOne EDI for Microsoft Dynamics® GP

BENEFITS

- Reduced time to process an order from 1 hour to 2-3 minutes
- Reduced labor from 2 headcount to 1 for order processing
- Reduced steps required to process an order from 10+ steps to just 4

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Solution

"We didn't want to get burned." said Pearsall. "After 7 months and still not being able to meet the customer's requirements, we vowed to never be in that situation again. We chose AccellosOne EDI for Microsoft Dynamics® GP for our EDI solution because the integration was embedded into Great Plains. When we saw the AccellosOne EDI for Microsoft Dynamics® GP demo, it was clear that they understood not only how complex customer requirements work, but how Great Plains can handle those requirements. It made all the difference."

Chaco gave Accellos a 90 day deadline to implement the retailer's requirements. Accellos met the deadline by implementing the AccellosOne EDI for Microsoft Dynamics® GP with the Advance Ship Notice module. The solution integrated with Chaco's existing warehouse management system so that customer-specific UCC Labels could be printed, and Advance Ship Notices sent. In addition, Accellos worked to enable Great Plains to create and send compliant EDI 832 Price/Sales Catalog documents to the QRS/Innovis product database.

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— Ed Pearsall, ERP Analyst

Business Benefits

"With our former vendor, EDI was killing our efficiencies. We avoided EDI as a proactive business strategy because of the pain involved. It was such a burden that the last thing we wanted to do was add more EDI customers. Today, it's a very different story." said Pearsall.

"We are extremely excited about our capabilities today," said Debra Aull, IT Manager for Chaco, Inc. Accellos' solutions have given us the ability to capture traditional "brick and mortar" retailers enabling us to develop new strategies to grow our business."

Reduced Labor And Time

Using the Accellos solution Chaco reduced order processing time from 1 hour to just minutes. With the new system in place, Chaco's sales orders flow into the Sales Order Processing module of Microsoft Great Plains where the AccellosOne EDI for Microsoft Dynamics® GP system checks for a variety of errors. Sales orders that are erroneous are flagged and sent to a designated employee for handling. Compliant sales orders trigger Great Plains to produce an invoice. All processing occurs inside of Great Plains; users don't need to learn additional systems to manage their EDI nor do they need to manually manipulate the system to produce an order. The process is streamlined to the point where Chaco requires only one employee instead of two to manage orders..

Improved Access And Accuracy

Electronic pick tickets are sent from Great Plains to the warehouse management system where orders are fulfilled, compliant UCC Shipping Labels are printed and Ship Notices sent. Shipping data for each order is written back to the Great Plains system so designated employees have easy access to order tracking information and item level shipping data such as which pallets contain which cases and associated cartons. Customer Service no longer has to make phone calls to the warehouse and the accounting department to address customer's inquiries and requests.

"Our ability to respond to new retail requirements is a big plus for us," said Aull. "When a retailer requires us to implement an 832 or any other EDI document for that matter, we know that the AccellosOne EDI for Microsoft Dynamics® GP solution can support us."

Step Into The Future

"Today, we are seeing the efficiencies EDI was supposed to give us and we have a renewed desire to proactively put more high-volume customers on EDI because we can see the efficiencies we gain in our business processes. We sell to many online retailers and getting them to do EDI is a definite advantage for us because of the volume." said Pearsall.

As Chaco continues their steady growth they plan to add 2-3 more EDI customers to their EDI system and have begun to provide additional value-added services for their online retailers like drop shipping to end-users. With a compliance platform in place they can continue to focus on providing additional value-added services and growing their business. Chaco has just introduced a new line of products and stands ready and waiting to meet EDI customer requirements regardless of their complexity.

ABOUT ACCELLOS

Accellos is a global provider of software solutions specifically designed for the unique needs of logistics service providers and small and mid-sized businesses (SMB). Over 3,000 companies trust Accellos to be the technology backbone of their global supply chains. Accellos provides solutions for warehouse management systems (WMS), third party logistics (3PL), fleet management, transportation management systems (TMS), trading partner integration (EDI), automated barcode data collection, parcel shipping, transportation optimization and supply chain business intelligence. Accellos solutions are built on the AccellosOne platform, a modern technology platform featuring a user-friendly interface and simplified technical administration.



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