

# Ward Manufacturing Expands VMI Program



## Summary

- ▶ Ward needed ability to expand initial VMI program quickly and efficiently
- ▶ Previous VMI system was time consuming and difficult to manage
- ▶ Move to Datalliance helped communicate VMI benefits to Ward sales organization, provided proven implementation template, and complete process management
- ▶ Today, Ward is implementing more customers, in less time, and at lower cost

Ward Manufacturing is a leading manufacturer of pipe fittings, including flanges, pipe unions, plugs and bushings. Its WARDFLEX gas piping system is a corrugated stainless steel system that offers flexible pipe as an alternative to traditional steel pipe in transporting fuel gases. Ward Manufacturing has offices in the US and Canada and sells its products to a network of more than 600 wholesalers throughout North America.

Ward Manufacturing strives to differentiate their products and services in their competitive industry. They see Vendor Managed Inventory (VMI) as one way to enhance their ability to connect with and service their customers more effectively. When they decided to expand the scale of their current VMI program in order to maintain current business and gain market share, they selected the Datalliance VMI service.

Tibor Egervary, VP Marketing & Sales, said, "Through the experience with our initial VMI system, we gained an appreciation for the business benefits of VMI. As a result, we wanted to expand our VMI program and roll it out to a broader range of distributors. We see VMI as a strategic tool that gives meaning to the overused term, 'partner'. It gives us the actual product demand information we need to fully understand individual distributors' evolving sales and inventory picture. This visibility allows us to tailor our products and services for each customer, making transactions better, cleaner, simpler."

## Challenges to Expanding VMI Program

Ward Manufacturing's challenge to expanding their VMI program was twofold: 1) to more effectively communicate the business benefits of VMI to their customers, and 2) to improve the implementation process to bring new customers up on VMI in the shortest amount of time.

Egervary recalled, "In the past VMI was considered to be more of a technical or IT subject, not a business process. To take full advantage of VMI as a strategic tool, we needed to communicate the business benefits to our sales people and our customers in a compelling and clear manner. We wanted them to stop looking at VMI as an 'IT system' and start focusing on VMI as a business capability that helps both us and our customers run our businesses better."

“With Datalliance’s Software-as-a-Service architecture and extensive VMI expertise, we are now accomplishing our VMI program expansion goals.”

Tibor Egervary  
VP Marketing & Sales  
Ward Manufacturing

Matt Weigle, Information Technology Manager, continued, "As more of our customers became interested in VMI, we recognized that our existing VMI system was a limitation. This first-generation system required significant time and resources to bring new customers onboard. It was difficult and time consuming to build, implement, and verify a customer's data. Considerable time commitments from IT, sales, and customer service were required to support our VMI model. Under the existing model, IT also handled all project management and coordination activities. With that process, we realized that we couldn't expand the program at the required pace. The ability to implement VMI quickly and effectively with a broader range of customers was critical to our success, but we needed to find a better approach."

## Key Components to Success

In collaboration with Datalliance, Ward Manufacturing has successfully addressed those challenges. "With Datalliance's software-as-a-service architecture and extensive VMI expertise, we are now accomplishing our VMI program expansion goals," said Egervary. He identified several key components that changed their environment.



## Communicating Benefits

“The experts at Datalliance worked closely with us to give our sales organization the information and confidence to communicate the specifics of what VMI is, how it works, and most importantly the benefits to our customers. We can now help customers see VMI as a tool to help grow their company’s sales and profitability. In addition, our sales people are much more comfortable talking with customer executives about the VMI implementation process. It’s no longer just an IT-to-IT conversation.”

## Understanding the Implementation Process

“As a part of their VMI service, Datalliance provides a proven implementation template and then works with us to customize it for every new customer”, explained Egervary. “Datalliance actually bridges the gap for our customers between the desire to implement VMI and the actual implementation process. They handle the implementation, so that we can apply our resources elsewhere.”

Weigle praised Datalliance personnel. “When it comes to implementation, Datalliance manages the entire process. Based on years of industry experience, they have developed a thorough process in which they assume a majority of the effort. They walk our customers through what it takes to get up and running – from tasks, to timeframes, to detailed implementation schedules. The result is a clear plan that everyone understands and has confidence in implementing.”

## Relentless Pursuit of the Schedule

Datalliance brings a full scope of services, including project management, data building, verification, and testing to move the implementation process quickly and efficiently. Egervary stated, “We have definitely enhanced our ability to bring on a broader range of customers to our VMI program. One of the most important factors in accelerating the process is Datalliance’s relentless pursuit of the implementation schedule. They don’t just lay out the plan and step aside for us to execute it – they actively manage the process. Using a standardized plan, they motivate and discipline us and our customers to go through a proven process in a timely, step-by-step manner. We both get the benefits of VMI in the minimum amount of time.”

## Results with Datalliance

“The true test is in the results – in the past, we were only able to involve a few of our customers in our VMI program,” said Egervary. “Today, with Datalliance, we have a much higher success rate. I would say that now at least 60 or 70 percent of customers that we identify as viable VMI partners commit and implement VMI.”

Weigle estimated that they have converted all existing VMI locations to Datalliance in just three months. “We have a

good handful more in process and have at least two to three times that ‘on deck’. Over the last three years on the old system, we could only single-thread implementations, so we brought on less than a handful of new customers. With the support of Datalliance, we can now handle multiple implementations at once; it’s not unusual for us to bring on four or five at a time. We count on Datalliance to manage the process and keep the implementations moving.”

“Where it used to take months to implement one customer, we can now bring up a new customer in just two or three weeks. This is even more impressive when you consider that we’ve expanded the scope of our VMI program considerably to include a more extensive range of our product lines.”

“Datalliance is dedicated to us, the process it takes to implement VMI, and the discipline to go through that process in a timely manner,” commented Egervary. “Datalliance has the ability to work across all of our business functions, and is comfortable doing so. They are just as effective whether they are talking with our tech guys, sales force, or customers. From my perspective, this is their greatest value. Don’t misunderstand me, their VMI service and functionality is a big hit with our customers, but their greatest ‘feature’ is their implementation service and ability to help us sell the benefits of VMI internally and to our prospects.”

Weigle added, “Through our partnership with Datalliance we’ve realized a reduction in required IT resources, thereby lowering our costs and allowing us to focus on our core business and other value-added opportunities. The software-as-a-service approach means we do not have to deal with all of the EDI, hardware, and software issues of a typical VMI platform. In the end, Datalliance has the people, experience and processes to make it happen.”

## About Datalliance

Datalliance is the world’s largest independent VMI service provider. Delivered as a managed service via the Internet using the “Software as a Service” (SaaS) model, Datalliance VMI makes it easy for suppliers and their customers to establish effective VMI relationships that fully align business objectives, improve collaboration, and streamline supply chain operations. For more information about Datalliance and VMI, please visit: [www.datalliance.com](http://www.datalliance.com).

### Results:

- Converted all existing VMI locations to Datalliance in just three months
- Reduced required IT resources and lowered overall VMI program costs
- Can now handle 4-5 VMI implementations at one time



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