



CASE STUDY:

NEXANS OLEX

INDUSTRY:

Electrical

COUNTRY:

Australia

B2BE SOLUTIONS:



EDI



Fax

AT A GLANCE

BUSINESS OBJECTIVE

After a number of years managing EDI internally Olex had come to the realisation it was costly and not productive and decided to look for a supplier who could take over current connections and handle new connections.

BUSINESS BENEFITS

B2BE managed the migration of Olex's current EDI trading partners and have been able to manage the addition of new client connections with Olex being able to reduce effort and resources.

The Company

Olex is an Australian manufacturer of electrical cables with more than 65 years of experience servicing the Australian and Asia Pacific energy, construction and industrial markets. The company is part of Nexans, worldwide leader in the cable industry listed on the NYSE Euronext Paris.

As Australia's largest power cable manufacturer, Olex is a well-respected supplier, providing a full range of general purpose fixed and flexible cables as well as special purpose cables. Olex also provides specialist technical services, cable design and other value added services gained from their extensive experience in the cable industry.

Olex employs more than 700 staff in Australia and New Zealand, with sales offices and distribution centers throughout the Asia-Pacific Region.

The company recently went through a rebranding, changing its name to Nexans Olex.

The Challenge

More than 10 years ago, Olex was asked by their main customers, being electrical wholesalers like L&H, Rexel and MMEM and in a later stage retailers like Bunnings, to start the exchange of electronic Purchase Orders (Sales Orders) and Invoices electronically using Electronic Data Exchange (EDI). At that particular moment, Olex decided to use an in-house EDI software solution integrated with Olex's ERP system BPCS.

After a number of years having experienced the usage of EDI software and setups of a number of EDI connections, Olex came to the conclusion that maintaining the in house EDI software solution was not the way to proceed. The solution not only came with relatively high ongoing maintenance costs, in a lot of instances connecting a new trading partner by EDI meant a time consuming and costly exercise in order to adjust document mappings and setting up the communication with the new trading partner.

Besides EDI, the company was still sending their customers a large number of Invoices by Fax, which was a time consuming and in some aspects a manual process. This group of customers was not able to integrate structured EDI Invoice documents, so Olex was also looking for an alternative, integrated solution for sending facsimile based documents, specifically customer Invoices.

Therefore, Olex decided to look for a partner that could provide a solution with a lower cost of ownership, a higher level of flexibility and one that would really understand supply chain processes within the electrical wholesale industry. Based on the recommendations of one of their biggest customers, L&H; the in depth knowledge of, and experience in, supply chain processes within the electrical wholesale industry and the differentiated document outsourcing solutions Olex choose B2BE, being their new partner for EDI and other e-business requirements like an integrated outbound facsimile solution.



NEXANS OLEX

The Solution

The B2BE Solution for Olex consists of the deployment of the following B2BE Products:

- B2BE EDI
- B2BE Fax Gateway

The B2BE EDI provides Olex an integrated EDI solution, managed by B2BE, for the automated exchange of EDI Purchase Orders and Invoices with their customers.

With the B2BE Fax Gateway solution Olex's Invoices, which need to be faxed to their customers, are directly sent from Olex's business system with no manual intervention. The data transmitted is fully encrypted through the B2BE Client software to the B2BE servers which is integrated with Olex's business system. B2BE translates and formats the document so Olex's customers receive the Invoices through their fax machine which directly emulates the Olex hard copy Invoice format. Furthermore, Olex has complete visibility and control over the process due to the fact that all Invoices faxed through the B2BE Fax Gateway are available online for retrieval, resending and with a full audit trail. Any Invoice documents faxed through the B2BE Fax Gateway provides full error handling capabilities so Olex employees are notified should a fax fail for any number of reasons.

At first the whole solution was integrated with BPCS, Olex's previous back office system, but after Nexans takeover of Olex in 2006, the company migrated to SAP and B2BE successfully migrated and integrated the solution with SAP.

With the help of B2BE another success was achieved when Olex could easily expand the exchange of EDI messages with a growing number of customers. Having a lot of experience in all kinds of communication methods (protocols) and document structures, B2BE could efficiently and quickly set up new trading partner connections and/or adjust document mappings according to trading partner's requirements. Something that was very time consuming and more difficult in the time Olex was using the in-house EDI solution that they had to manage themselves.

The Result

By the deployment of the B2BE EDI and Fax Gateway Solutions Olex could achieve the following:

- Cost of ownership reduction by replacing in-house- for outsourced document solutions;
- Minimise the number of staff involved in management of EDI and allowing them to focus on more value added activities;
- Minimise the investment in maintaining EDI knowledge internally;
- Faster connecting and on boarding of new trading partners regardless of communication method;
- Fully auditable and automated fax sending process eliminating any manual intervention or audit issues.

Peter Weir, Business Applications Manager for Nexans Olex said: 'By using B2BE's integrated document outsourcing solutions our company reduced costs and improved business efficiency but above all B2BE created peace of mind. We don't have to worry about managing and maintaining the integrated e-business solution, but also in the case of setting up the communication with new trading partners B2BE takes care of all the com's and possible adjustments in the mappings in a very structured and professional manner.'

Future EDI Plans

In the eyes of Nexans Olex EDI is an important and strategic vehicle to accomplish optimisation of the communication within their supply chain, improvement of their business processes and further cost reductions. The company has future plans to boost the EDI communication within their supply chain. Not only by exchanging more Purchase Orders and Invoices with a growing group of customers by EDI, but also to start up the EDI communication with other parties in the supply chain like suppliers and 3PL providers (mostly Invoices).

Furthermore Nexans Olex is looking for the possibility to exchange other document types like Purchase Order Acknowledgement (POA) and Advance Shipping Notes (ASN). By adding these document types to the EDI process, Nexans Olex and their trading partners will be able to assure a more accurate and timely delivery process based on confirmed order information.