

**B<sup>2</sup>:E**

Business to Business e-Solutions



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CASE STUDY

# REXEL UK (HAGEMEYER)



[WWW.B2BE.COM](http://WWW.B2BE.COM)



## Customer Profile

Hagemeyer UK chooses B2BE as their B2B Business Partner to assist with improving process flow within their supply chain which has proven to be a great success story for Hagemeyer, their suppliers and customers alike!

Hagemeyer UK is a division of one of the world's most successful value added business-to-business (B2B) distribution services group, focusing on the markets for electrical materials, safety and other maintenance, repair and operations (MRO) products.

Hagemeyer have a network of branches across the UK and Ireland to ensure speed and consistency of service to all their customers, and pride themselves on putting customer service at the heart of their business. From local independent contractors to blue chip multinational companies, Hagemeyer sites are conveniently located to serve local markets, supported by the global strength of one of the world's largest business-to-business distribution companies. This gives Hagemeyer the strength to deliver local service worldwide, helping to keep Hagemeyer's customer's business operating on target.

Each of Hagemeyer's established national distributor brands is comprised of a team of experienced and knowledgeable experts, dedicated to understanding their market and meeting or exceeding their customers' needs. This focus ensures that they deliver technical expertise, innovative services, and industry leading products and services.

Hagemeyer operate over 300 branches nationally under the Newey & Eyre, WF Electrical, Hagemeyer Service Centres and Parker Merchancing banners.

To maintain the Hagemeyer service levels and to keep their customer's expectations and to enable the Hagemeyer branch Network to operate efficiently B2BE has provided a number of solutions to assist with the streamlining of the Purchase To Pay processes.

## The Challenge

Richard Xuereb, the Hagemeyer Business Processes Improvement Manager was brought in from the Hagemeyer Australia business where he had successfully implemented a number of key changes to the business to assist with process improvement in the area of procurement and payment.

Richard's initial remit was to look at the payment processes between Hagemeyer and its suppliers. This role was soon to be broadened to look at the way Hagemeyer could improve the way in which they traded with their customers, covering the full supply chain processes.

Richard and his team identified a number of key areas and processes that added little value to the P2P process and would ideally be suited to moving them to e-based initiatives and ultimately reduce the number of steps on each side of Hagemeyer's supply chain. A plan was formulated to do this with a number of key objectives. Throughout this process B2BE has been able to provide advice and guidance to assist the team in identifying the key areas of improvement from an electronic process.

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The key objectives that were identified in the area of business process improvement included:

- 1 Increase the visibility to all stake holders (customers, branches, suppliers and Hagemeyer Head Office) at a document transaction level.
- 2 Reduce the number of steps to process documents between Hagemeyer and its suppliers in the area of procurement and subsequent payment.
- 3 Improve and provide full visibility with respect to cash flow in areas of Accounts Receivable functions.
- 4 Improve reconciliation processes.
- 5 Enhance the way in which goods are tracked and processed throughout the Hagemeyer branch Network.
- 6 Remove current EDI complexities.

## The B2BE Solution

B2BE identified a number of areas that the B2BE products would be ideally suited to assist Hagemeyer with their e-commerce initiatives.

- 1 B2BE Transaction Delivery Network.
- 2 B2BE Business Process Outsourcing.
- 3 B2BE Web Portal Solutions.

The platforms B2BE were able to offer Hagemeyer to assist with process flow and document handling worked to complement one another to reduce the amount of steps involved from purchase to payment as well as providing all stake holders with the visibility that is required to manage and facilitate electronic procurement and payment systems.

Briefly, Hagemeyer implemented and adopted the B2BE products to operate and assimilate into the Hagemeyer environment:

### 1. B2BE Transaction Delivery Network

The B2BE Transaction Delivery Network (TDN) provided Hagemeyer with the core of the electronic network to trade with, both suppliers and customers alike.

Hagemeyer through the B2BE TDN was able to send and receive electronic Purchase Orders, Invoices as well as distribute Debit Notes, Remittance Advices and produce a range of management reporting.

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The B2BE TDN provided an 'Any to Any' network environment where Hagemeyer were able to use their native file structures to upload and download from and to other Business Systems. B2BE provided the mapping at a server level, negating the need to maintain expensive mapping and translation software, B2BE handled this to enable both suppliers and customers to receive in their required formats, including all industry based standards such as UN/EDIFACT, ANSI X12 or any number of XML dialects and ASCII formats.

B2BE also handled all connectivity protocols such as AS2, HTTPs, FTP (Secure and non-secure) SMTP etc. This removed the need for Hagemeyer to maintain a cluster of servers that would facilitate all these connectivity options and protocols.

Hagemeyer, through the use of the B2BE TDN were also able to apply many of their business rules to outbound transactions to increase electronic uptake of Purchase Orders while also applying business rules to inbound Invoices so data can be validated and sent back to the supplier when it failed the validation rules for rectification and re-sending. This gave suppliers greater visibility at a transaction level as well as ensuring accuracy of data and timely payments. No chasing POD's that are two to three months old!

## 2. B2BE Business Process Outsourcing

B2BE not only provided Hagemeyer a means to transmit data between its customers and suppliers systems electronically but also provided Hagemeyer with the ability to send data via facsimile where any of their suppliers and customers were not able to integrate documents electronically.

Hagemeyer's branch network simply creates a Purchase Order, for example through their business system. B2BE receive the file and based on details within the file, transmit it via facsimile in the format that emulates Hagemeyer's hard copy documents. This means all data to the Hagemeyer user is sent electronically and B2BE handles the transmission methodology (electronic of facsimile) further reducing paper flow.

The system is fully auditable and where documents cannot be sent successfully the Hagemeyer user is automatically notified.

Hagemeyer also had a number of EDI solutions in place to facilitate their previous EDI environment. This ranged from a number of Value Added Networks (VAN's) and translation and mapping software, Amtrix.

While this provided to Hagemeyer a means to trade electronically it added a number of costs with little improvement or efficiency gains due to the required management of these systems. B2BE as part of its Business Process Outsourcing service, was able to negate some aspects of the current setup by removing the need for the applications and providing the conduit into the value added networks for Hagemeyer customers (if they chose to use a VAN).

This initiative meant that B2BE were able to provide a single channel into and out of Hagemeyer removing more layers of complexity and simplifying processes.

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### 3. B2BE Web Portal Solutions

One of the integral aspects of the Hagemeyer implementation was to ensure all users within Hagemeyer and externally had online access to documents and data transmitted via the B2BE Network.

B2BE developed an online Web Portal solution which was branded and launched as the Hagemeyer Document Centre.

The Web Portal provides access based on user login permissions to a number of sections within the site and is fully administered by Hagemeyer, one of Hagemeyer criterion when setting up the Document Centre.

Hagemeyer suppliers could access any document that was sent to them via facsimile, SMTP or electronically. For example; Purchase Orders, Invoices, Debit Notes and Remittance Advices, to name but a few.

Hagemeyer also enabled users within their organisation to have access to documents and functions that related to their respective areas. For example, the Hagemeyer Accounts Payable team could access all supplier Invoices through the Document Centre while their branch network only has access to their specific documents.

While at the base level the Hagemeyer Web Portal provided a mechanism through which Hagemeyer and its users could view any document at a transaction level it also provides a number of reporting tools and functions as well as online maintenance of tables that could not feasibly be maintained within the Hagemeyer environment easily, further enhancing the Document Centres value as a management tool.

The Hagemeyer Document Centre is a constantly evolving tool and resource centre which is being added to and adapted when there are new needs and functions within the Hagemeyer business.

## CASE STUDY



A. Login



B. Search



C. Results



D. View PDF



## B2BE and Hagemeyer Adding Value to Business Processes

Richard Xuereb while involving B2BE with the e-commerce initiatives associated with the process change needed to ensure that the solutions that were put in place were both cost effective and provided a net gain to the Hagemeyer operation and met the objectives set out at the outset of the project.

Hagemeyer and Richard's team have been able to achieve the objectives which has ultimately allowed Hagemeyer to realise productivity and profit gains as well as substantially increase the ease by which suppliers and customers can trade with Hagemeyer, a win win situation!

Some of the highlights are as follows:

- 1 Centralisation of Accounts Payable processing functions to the Hagemeyer Head Office through the electronic receipt of 100% supplier Invoices and Credit Claims.
- 2 Full visibility for supplier Invoices where they are sent in error which helps ensure full payment in time and in full.
- 3 Implementation of the online Hagemeyer Document Centre delivering full visibility to suppliers, customers, Hagemeyer branches and Head Office for all transactions between the businesses.
- 4 Full tracking of Accounts Receivable documents including Invoices and POD's to give customers and Hagemeyer greater visibility.
- 5 Substantial reduction in resources required to manage and facilitate the accounts functions culminating in a sizeable cost reduction.

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