

CHAIN LINK

BENDIX COMMERCIAL VEHICLE SYSTEMS HAD A PROBLEM.

The vehicle-components manufacturer wanted to continue its globalization push, but its growing supply chain was becoming a high-maintenance mess. For one Chinese aluminum-castings supplier, Elyria-based Bendix CVS would fax a weekly update on Tuesday and follow up with off-hour emails or voicemails to confirm release or track shipments. The Chinese company would manually compare the update to its own schedule before trying to respond. With luck, the companies communicated by the end of the week.

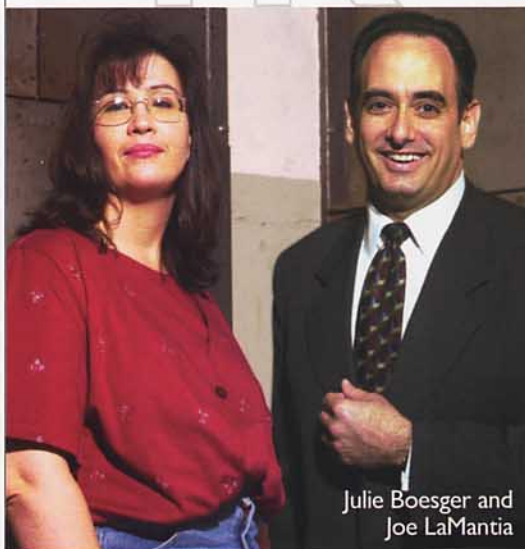
When dealing with one supplier, the process was a nuisance. But for all 219, it was a logistical nightmare. So Bendix CVS contacted e-Ventus Corp., the Cleveland-based developer of Mx Supplier Collaboration, an e-business solution for complex supply-chain-management problems.

Three-fourths of Bendix CVS suppliers communicate with the company through Electronic Data Interchange (EDI), a computer-to-computer exchange of business documents that uses national and internationally recognized formats. Ideal for companies with massive supply chains and cash flow — such as the Big Three automakers that helped pioneer it in the 1970s — EDI services can prove costly for smaller firms.

Still, before the Internet, many companies chose EDI. Others, like the Chinese castings producer, relied on error-prone formats such as fax. In fact, Bendix CVS had to use fax and phone to deliver schedules to a quarter of its supply chain.

A tier-one supplier with some Big Three business, Bendix CVS used EDI for sending orders, at a cost of up to \$200,000 annually. It started looking for Web-based alternatives in early 2001. "We couldn't cost-justify [EDI]," says project manager Julie Boesger. "That's what prompted us to look at the Internet as a vehicle. It's basically free and more accessible to our suppliers."

Ushering manufacturing companies into the wired era is e-Ventus' mission. The e-business consulting firm was developing the first version of Mx Supplier Collaboration when Bendix CVS



Julie Boesger and Joe LaMantia

Cleveland-based e-Ventus finds a solution for complex supply-chain transactions.

by Jeff Rozic

contacted it in July 2001. While Bendix CVS had found several companies that offered supply-chain solutions, most charged ongoing fees. e-Ventus courted Bendix with a Web program that requires only Internet access.

"The fundamental concept of our business plan was to develop Web-based products that allow businesses to very quickly deploy state-of-the-art solutions," says e-Ventus CEO and president Joe LaMantia. "We've made a huge investment based on that belief. We are confident that this concept is going to be applicable to a large number of manufacturers and distributors."

e-Ventus technical architect Eric Lentz created a secure Internet application with several categories of real-time information: A supplier portal and a planner portal display release data (when an order will ship) and shipment activity. The shipment module tracks shipments in real-time, and the message board replaces the time-draining mess of emails and phone calls. With Mx Supplier Collaboration, company planners efficiently update procurement and production schedules, or exchange purchase orders and promises-to-ship online.

The supply-chain project moved quickly when Bendix CVS became the first licensee of Mx Supplier

Collaboration in December. Version 2 was complete by the end of 2001, and Bendix CVS launched its internally hosted site with pilot suppliers Anchor Tool and Die, and Plastic Enterprises, both based in Cleveland. Through last February, 102 of 219 suppliers in the chain were running Mx Supplier Collaboration in parallel with EDI to ease the transition. Some 86 percent report that the new system is an improvement.

Now the Chinese supplier simply downloads order, shipment and scheduling changes in text, Excel or XML formats into its materials system and talks with Bendix CVS planners in the system's message center.

But the process hasn't pleased every client. Some smaller suppliers, for instance, dislike conducting business online every day. So e-Ventus is adding a feature that sends emails whenever Bendix CVS' schedule changes.

Another obstacle is that 22 suppliers use direct EDI links that require little interaction with Bendix CVS. These companies, 10 percent of the total, have adopted a truly paperless system, directly loading Bendix CVS' EDI transmissions into their MRP systems. e-Ventus is trying to provide an automated interface for Mx Supplier Collaboration to satisfy those suppliers. (The remaining suppliers take Bendix CVS' EDI transmissions and print paper copies to manually key into their MRP system.)

Some suppliers dispensed with EDI connections in March; Bendix ultimately will have at least 90 percent of its suppliers on a cheaper and more efficient connection.

Streamlining the supply chain is a crucial part of Bendix CVS' plans. "We will become a globalized manufacturer," says Boesger. "We're using all of the globe for finding the best quality and lowest-cost products. This [Mx Supplier Collaboration] plays a big part because it allows us to communicate with our suppliers 24/7."

About a dozen firms have expressed interest in Mx Supplier Collaboration, so LaMantia's firm is working on Version 3 to show that the concept can work for any industry with a supply chain.