Huhtamaki Americas

Customer satisfaction increases when purchase order processing time decreases by 75 percent

Overview

Business Challenge

Improve accuracy and timeliness when processing customer orders

Solution

- IBM® Sterling Fax Conversion Services
- IBM® Sterling Community Development Services
- IBM® Sterling B2B Collaboration Network

Huhtamaki Americas is a specialty packaging organization offering food service and retail tableware products, consumer packaging, and packaging machinery. With 18 facilities in North and South America that produce paperboard, plastics, molded fiber, and flexibles, the company is part of Huhtamäki Oyj, a global packaging company headquartered in Espoo, Finland.

Business challenge

While the majority of Huhtamaki's customers are EDI-enabled, many are not, especially in the foodservice division. The foodservice division works with companies of all sizes, many of which are smaller and still place their orders manually via fax.

In 2005, Huhtamaki implemented a fax-to-EDI solution to accommodate those companies that are still reliant on faxes. With this solution, customers faxed Huhtamaki purchase orders; account managers manually checked each order for errors, and then sent them to a third-party for manual order entry. This process led to re-keying errors and delays in processing. Delayed orders frustrated customers because they didn't receive their shipments within the expected lead time, resulting in multiple customer service issues. Huhtamaki found that they were spending too much time chasing order status with the third-party vendor.

Solution

In 2008, Huhtamaki turned to IBM for a more streamlined fax-to-EDI solution that would improve order accuracy, help ensure shipment within a committed timeframe and meet all customer expectations.

Business benefits:

- Improves customer service
- Streamlines order processing
- Improves order accuracy
- Eliminates manual processes
- Decreases order processing time
- Enables seamless customer conversion

The conversion to the new fax-to-EDI solution began when IBM Sterling Community Development Services contacted each of Huhtamaki's 200 foodservice customers. This took less than two weeks and completely removed the burden from Huhtamaki's IT department.

Customers were offered enough flexibility so that even the smallest "mom and pop" business could participate. This flexibility was one of the key reasons why Huhtamaki converted to the new solution.

The conversion process allowed IBM to tailor individual customer solutions to suit Huhtamaki's particular business rules. This level of detail enabled Huhtamaki to clean up master files, which improved data quality. Huhtamaki also used the survey data collected by the Sterling Community Development Services team to identify customers who were already EDI-enabled or had expressed interest in becoming EDI-enabled.

Now foodservice customers send faxes each month directly to IBM. Starla Hall, Team Leader for Foodservice and Retail Business Units at Huhtamaki Americas, said, "The new system turns orders around at a much faster rate. Now it takes less than one hour, compared to two to six hours previously." She credits the reduction in time to the fact that the new system is completely automated and fluid.

"Sterling Fax Conversion Services doesn't require our customers to use a specific fax format, which enables a wide variety of fax formats – from computer generated to handwritten – and this flexibility wasn't available with the prior solution. Sterling also customized our purchase order process to suit our particular business rules."

— Suzanne Dobbs, Senior Programmer/Analyst, Huhtamaki Americas

The new streamlined process enables Huhtamaki to focus on meeting and exceeding customer expectations.

Key benefits

End users did not have to change their fax format with the new system, and now they receive their orders within the expected timeframe. That means customer service representatives can spend more time on value-added functions instead of chasing order status.

With the fax-to-EDI process completely automated, there are no re-keying errors; and since Huhtamaki is no longer responsible for any part of the faxing process, they can focus on improving each customer's data quality.

A fluid receipt of purchase orders means customer orders are shipped within the committed timeframe.

Improved accuracy and timeliness means more orders are processed in less time with fewer staff involved.

IBM handled the entire roll-out of the new system, which saved Huhtamaki IT staff time. Additionally, the conversion process identified customers who were willing to engage in EDI rather than faxing orders, further improving automation.

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