

# CASE STUDY



**Vendor Managed Inventory and  
automated orders via EDI double  
turnover**



# Sakret GmbH: Vendor Managed Inventory and automated orders via EDI double turnover

As a company with many trading partners, Sakret GmbH has been using EDI technology for more than 20 years. Thanks to i-effect®, the company regularly benefits from EDI innovations - with measurable effects.





## Successful project: Vendor Managed Inventory (VMI) in the home improvement market

When analyzing the processes in the value chain, it became apparent that home improvement stores did not always immediately reorder as soon as product stocks were sold off. How quickly orders were placed and which brands were ordered depended on many factors.

Sakret GmbH realized that with the help of EDI, Sakret could automate the ordering process if all the necessary data from the point of sale was available. The goal: automated and seamless replenishment of shelves in DIY stores to provide the common end customer with high availability of Sakret products. In food retailing, this model was already common practice. Keyword: VMI. The know-how came to Sakret GmbH via Rolf Stubenrauch's long-standing membership in the technology steering committee of GS1 Germany.

In 2012, Sakret GmbH started a VMI project with a large home improvement chain. Convincing the company was easy. Rolf Stubenrauch: „The system benefits both suppliers and retailers. Home improvement stores have an interest in customers finding the items they want. Suppliers have an interest in presenting full shelves. The effort required for supply chain processes is reduced on both sides.“ The VMI project was a first in the industry at the time.



# Advantages: Customer loyalty and sales increase

Sakret receives daily sales figures (SLSRPT), weekly inventory data (INVRPT) and maintains the customer's stock levels centrally. „We have defined target stocks for the stores. Based on delivery and sales figures, the system can recognize when reordering is necessary and trigger it automatically.“ Manual intervention by store employees is just as little needed to generate the order as any activity on Sakret's part. Sakret GmbH can also dynamically adjust the target values and thus react to declines in demand in the off-season. Another advantage for the retailer: full pallets. Thanks to the EDI message „DESADV delivery notification with NVE“ sent beforehand, the home improvement stores can also collect mixed pallets with a scanner pick in goods receipt.

Sales regularly supports the DIY stores in defining the assortments and grids. In close coordination with the stores, the field sales force can enter control parameters for the system on their tablet on site. These parameters already have an effect on the next order generated. The dedicated commitment of the field sales force has also strengthened the confidence of the home improvement stores in the system. For Rolf Stubenrauch, there is no question that the VMI project has proved its worth: „We have more than doubled our sales in the participating stores since the project began and have consolidated the partnership. We are currently planning talks to introduce the model to further partners.“



i-effect WebControl

# Graphical mapping tool: Independence from service providers

i-effect® provides the technical basis for the automation. The application also maps the processes for other partners. Meanwhile, for example, 70% of all invoices are sent via EDI. In total, the company uses about 50 EDI mappings for digital data exchange with dealers and suppliers. Rolf Stubenrauch: „i-effect has become the indispensable data hub at Sakret GmbH“. It happens again and again that new message formats have to be included in the workflow and requirements from partners change. It is then a challenge to manage the change from the old to the new processes without affecting the running system. „Menten has already provided us with excellent support during several changeovers,“ recalls Rolf Stubenrauch of the past collaboration.

In the meantime, menten acts as second-level support and only intervenes when necessary. This is because the company can solve a large part

of the administration without external support, also because of the graphical data mapping tool. „This was an important milestone. We can now carry out larger mappings ourselves using just a few example mappings - independently of service providers.“ menten GmbH offers training and supports the transfer of knowledge into the company. However, Rolf Stubenrauch does not want to do completely without external support. „We really appreciate menten as a 100% reliable, agile partner that continuously works on innovations for customers.“ Most recently, i-effect® received new functions such as the processing of ZUGFeRD and XRechnung and usability improvements. Further optimizations are planned.





## About Sakret GmbH

Sakret GmbH, headquartered in Bad Lauterberg, is a manufacturer of quality building materials. As one of five German licensees of the international Sakret brand, the company operates four sites and employs around 200 people. The wholly owned subsidiary Diessner GmbH & Co. KG employs about 80 people. The products offered cover six areas: Dry Mortar/Composite Thermal Insulation Systems, Professional Concept (Paints), Gardening and Landscaping, Tile and Floor Technology, Technical Mortars and Concrete Repair.







## Challenges

Re-orders from home improvement stores did not come seamlessly once inventory was sold off. With each day that the shelves remained empty, the home improvement store and Sakret potentially lost sales. EDI networking with home improvement stores consisted only of „Purchase Order ORDERS“ (inbound) and „Invoice INVOIC“ (outbound).



## Solutions

In a project with a home improvement chain, ordering processes were automated using GS1 EDI via the message types „Inventory Report INVRPT“ (inbound), „Sales Report SLSRPT“ (inbound), „Purchase Order ORDERS“ (outbound) and „Despatch Advice DESADV with NVE“ (outbound).



## Benefit

The ordering effort for the home improvement stores approaches zero. Sakret strengthens its position as an attractive trade partner and doubles its sales in the participating markets. Sakret GmbH is one of the pioneers in the field of electronic data transmission to trade partners. The company introduced the technology as early as 1998, and menten GmbH has been supporting the processes with i-effect® for more than ten years. „You can only be on the winning side with EDI,“ emphasizes IT manager Dr. Rolf Stubenrauch. „The globally standardized interfaces ensure that processes in the supply chain are much more cost-efficient and faster.“

## Additional Information & Setup

For a free 30-day trial and detailed feature overview  
of the modules: **[www.i-effect.com](http://www.i-effect.com)**

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menten Software is aimed at medium-sized IBM Power Systems users in all industries. Since 1989, the team has focused on the development of server-based IBM i standard solutions. Service and maintenance, system technology and hardware sales flank the IT services around the server family.