

Net price into stock info key to efficient channels

Whether you call it “net price into stock” or “net cost into stock,” everyone has an opinion on this topic. More so, everyone has an opinion on this topic in relation to the Industry Data Warehouse (IDW2). Distributors want it. Some manufacturers understand this, but there are many who are not providing the data. Consequently there are many distributors who are suffering.

Let’s take a look at how two trading partners made net price into stock via the IDW2 not only work, but work quite well for both the manufacturer and the distributor.

Net price into stock is the replacement price or cost for manufacturers’ products that are stocked in the distributor’s inventory. Suppliers can load their net price into stock information into the IDW2 for their authorized distributors to view and download.

Doing business as a distributor without this information makes operating the business virtually impossible. And doing business with net price into stock without the IDW2 is highly dependent upon getting each manufacturer trading partner to send the distributor the information they need in a timely manner and uniform format. Unfortunately, it does not happen that way, adding unnecessary disorder and confusion to the fundamental intention of the IDW2—the process.

“Without IDW2, I lose all current changes and future information—which I don’t want to do. Suppliers need to

The manufacturer: Lutron Electronics, headquartered in Coopersburg, Pennsylvania, with offices in the United Kingdom, China, France, Germany, Hong Kong, Japan, Singapore, Spain, and Brazil. Lutron offers products to satisfy virtually any residential or commercial project. www.lutron.com/

The distributor: Van Meter Industrial, headquartered in Cedar Rapids, Iowa, with 15 locations throughout the state and more than 300 employee owners. www.vanmeterindustrial.com



understand that distributors want their data from one source, not multiple sources,” said Joe Wallace, administration manager of Van Meter Industrial. “Receiving net price into stock via IDW2 is a huge efficiency gain. Multiple sources require duplicate imports and duplicate data management.”

Lutron Electronics recently began an initiative to set up their trading partner, Van Meter Industrial, with net price into stock via the IDW2.

“We have been participating in the Electro E-Biz Forum for the past four years now,” said Leo Gould, Lutron information systems manager. “This year, during the IDW2 Users Group meeting, it was very clear the number one request of the distributors was net price into stock.”

During one session, Van Meter, one of Lutron’s distributors, made a request to the suppliers in attendance

to provide this information through the IDW2. Van Meter and others provided a good understanding of the benefits for the distributors. “Since this was the number one request of the distributors and Lutron’s number one principle is to “Take Care of the Customer,” I knew right away my job was to go back to work and reprioritize,” said Gould. “Van Meter was gracious enough to be the first distributor to do this with us.”

Distributors have ranked net price into stock pricing as the most important IDW2 feature. It allows manufacturers to control authorizations and deliver private prices to a single location. The IDW2 also passed some very tough external and internal system security audits to provide IDW2 participants the safest and most secure method to send and receive pricing and product information.

continued on page 25

From the chair... *from page 1*
control our own destiny.

As we do so, we need the guidance and wisdom of leadership across the entire industry, no matter size, shape, or industry segment. NEMA's history began with a recognition that individual members, speaking with one collective voice, could be stronger than any one of them speaking alone. This is true of NEMA's largest companies, as well as its smallest ones.

I urge any member or associate member seeking ways to participate in NEMA, to influence outcomes, to boost competitiveness, to get products through bureaucratic red tape and into the marketplace efficiently—to come to the table. Being an active member of a first-class trade association should be reduced to a question of enlightened self interest. Will I get a good return on my investment? It's a question worth asking and deserving of an answer. Contact the NEMA president's office. If you ask, we'll answer. [ei](#)

Metric labeling... *from page 9*
pean parent companies and subsidiaries to speak with their European counterparts about contacting Brussels. In October, NEMA President Evan Gaddis made a number of these points during several high-level discussions in Brussels.

A number of important European industry groups and companies have contacted the European Commission to indicate that the directive bodes ill for European manufacturers. In particular, ORGALIME, a confederation of national trade associations, told the commission that while it fully supports the aims of the EC to ensure standardization of standard international units, and sees that progress is being made, it feels that European companies must continue to have the flexibility to meet the requirements of all global markets. UNICE, the umbrella organization representing all European industry, endorsed this perspective, as did the British Weights and Measures Association.

The Enterprise Directorate of the European Commission subsequently endorsed these entreaties in December by proposing a further ten-year delay in implementation and requesting public comment. Though this does not mean that the proposal is a *fait accompli*, the powerful executive arm of the EU typically gets its way in the end, and the directorate's proposal represents as clear a confirmation as possible at this point that a ten-year delay is in the cards.

NEMA will be submitting remarks as the public comment phase unfolds over the next few months, and there is a possibility that the Enterprise Directorate will be inviting the association to testify at a Brussels conference on the matter next fall. For procedural reasons, a final confirmation of the implementation delay would not be forthcoming until these exercises, as well as a series of European Parliament and Council votes, are completed. [ei](#)

Al Scolnik, (703) 841-3282
alv_scolnik@nema.org

Net price... *from page 11*

The net price into stock feature can help:

- Reduce invoice and purchase order discrepancies for distributors.
- Eliminate labor costs of maintaining thousands of special pricing agreements.
- Give instantaneous pricing updates.

Originally, Lutron had been providing their product and pricing information to customers via CDs and more recently directing them to the company website over a secure connection. "But these processes are not as automated as using the IDW2," says Gould. "I knew we needed something that would be a more integrated solution for Lutron and its customers."

"I look forward to the day when my IDW2 pricing, including cost, is 100 percent synched to the supplier's data," says Wallace. "Then, with confidence, I can tell my purchasing and accounts payable departments that the price you see in IDW2 is the price you should see on the purchase order we cut to the supplier."

Half of Van Meter's updates are done via disk because they thrive on net into stock pricing. This requires interven-

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tion from an employee to translate the data on each disk before it can even be brought it into the business system. IDW2 already contains an extraction and import process to automatically translate this data if the manufacturer supplies it directly to the IDW2.

"If net into stock pricing could come via IDW2, says Wallace, "I would see half my translation time go away! That would allow more time to be proactive instead of reactive."

The Process

"With Lutron, it was easy," he says. "I did not have to do anything but extract the data once it was put in to make sure it matched the disk data which I already had in-house." Lutron's input of this information saved Van Meter on labor, brought efficiency gains to the company, and allowed for quicker system updates.

Van Meter is currently working with additional suppliers to incorporate net pricing via the IDW2. Wallace is adamant about having this information from all his suppliers and there are hundreds of employees like him who are willing to work with their suppliers to make this a priority. "I would ask any manufacturer who is not currently providing their net pricing to the IDW2, 'What are your road blocks and can I do anything to help remove them?'"

"When suppliers provide their information electronically to the IDW2," says Lutron's Gould, "it is always a great step towards data synchronization. Not only can the distributor get accurate information, but it just makes good business sense to have a central repository to access all your product and pricing information." [ei](#)