

# IDEA E-BIZ FORUM 2008

## Vendor Managed Inventory: Can VMI Make Us More Money?

**Moderator: Tom Hoar, Datalliance  
Director of Sales – Datacom & Electrical**



## › Datalliance

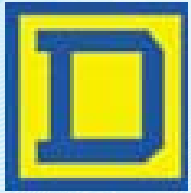
- Located in Cincinnati, OH
- Founded in 1991, Privately held
- Provides a Vendor Managed Inventory service

## Scope

- ›
  - 4.8 billion dollars in sales orders
  - 10.2 million skus managed
  - 25,300 locations managed

## Software as a Service





# Vendor Managed Inventory

Vendor Managed Inventory is the process where where the supplier generates orders based on on mutually agreed objectives and demand demand information sent by the customer. customer.

## ▢ VMI in the Electrical Industry

- Estimated 30 Manufacturers, 110 Distributors Distributors
- A collaborative process between supplier and and distributor, forming a true partnership partnership

- › Introduction of Panel Experts
- › Benefits of VMI
- › Quantifying Benefits
- › Partnership and Collaboration
- › Executive Sponsorship
- › Future of VMI

# About Leviton

- Founded in 1906 to manufacture tip mantles for gas lights
- Privately held company
- Leviton has become a leading North American producer of electrical and electronic products
- Serves 4 market channels
  - Distribution
  - Retail
  - OEM
  - International

# Mark Richards, Director e-Commerce

eCommerce falls under the Supply Chain along with:

- Customer Service
- Transportation
- Distribution
- Purchasing
- MRP/DRP

The components of e-Commerce

- EDI
- VMI
- Data Sync
- B2B

Leviton was an original IDEA charter member and participates in:

- IDX
- IDW
- IRD
- DAC

# Leviton and VMI

## Both Retail and Distribution are part of the VMI program

- Retail is via JDA
- ED is via ProSAIM
  - Looking to upgrade and expand
  - Solution projected to be in place in 2009
  - Viewed as an strategic objective by the company

## VMI process as it runs through the Supply Chain





## • North Coast Electric Co

- Full Line regional electrical distributor
- Pacific NW, Alaska & Arizona, since 1913
- Thirty locations
- \$400,000,000 sales
- 700 associates
- Serving Construction, Industrial MRO/Automation
- Alexander Lighting decorative lighting business
- Supply Solutions Group
  - Specialty inventory services to job sites & storerooms



- Rick Bumpus, COO
  - Includes inventory management
  - Implemented VMI in 1995
- Thirty plus years at NCE
  - Sales
  - Service Center management
  - Operations
  - Marketing
  - Training
- Joined IDEA at inception
  - Served as Director, 2001-2005

- VMI since 1995
  - Fifteen different suppliers
  - Three different software vendors
- Major product lines
  - No commodities
  - No Lighting, yet
  - No CDC's
- About 25% of our volume
- Some vendors have fallen back
  - Changing business systems
  - Changing software suppliers
  - Questioning commitment
- Challenges integrating into business practices
  - Remembering different evaluation systems
- No good metrics yet
  - Changed business systems



---

---

# Hubbell Wiring Systems

Hubbell Wiring Device-Kellems

Hubbell Premise Wiring

Hubbell Building Automation

Bryant Electric

**John Riley**

Milford, CT



Wiring Systems



# Hubbell Incorporated

---

- Established in 1888, celebrating 120 years
- Manufactures of electric & electronic wiring components, lighting fixtures & controls and power utility products
- Serving the industrial, commercial, institutional, residential, harsh & hazardous, transmission & distribution and lighting markets
- \$2.4 Billion in revenue for 2007
- Starting in 1962, Hubbell has made over 48 acquisitions
- Operations in USA, Canada, Mexico, United Kingdom, China, Australia and Brazil



Wiring Systems



# John Riley

---

- Started career with Hubbell in the 1995
- Developed and implemented on-line Distributor Access system (SMART.net) (Hubbellnet) and VMI programs, directed many eCommerce Program Projects, with Ship & Debit, EDI and Data-synchronization...
- Involved with evolving technologies and E-Business tools such as EDI, Internet solutions, e-Learning... etc.
- Hubbell is a Charter Member of IDEA and has been active in Standards Committee's from the start under NEMA's Electronic Commerce division
- Have served on various NEMA, NAED, IDEA committee's and task forces, including...



Wiring Systems



# VMI Plans at Hubbell

---

- Originally launched VMI as part of Hubbell's Electronic Commerce group in 1995
- VMI viewed as strategic benefit between trading partners
- Utilized third party software to launch and manage VMI processing for auto-replenishment
- At its peak, Hubbell had over 250 branches being managed under VMI program
- Consolidation of legacy systems to SAP, forced review of VMI solution and resulted in selection of a SaaS option
- After evaluation, Datalliance was selected as best option for Hubbell to run VMI processing



Wiring Systems



- › Introduction of Panel Experts
- › Benefits of VMI
- › Quantifying Benefits
- › Partnership and Collaboration
- › Executive Sponsorship
- › Future of VMI

# Audience Questions

# IDEA E-BIZ FORUM 2008

## Vendor Managed Inventory: Can VMI Make Us More Money?

**Moderator: Tom Hoar, Datalliance**  
**Director of Sales – Datacom & Electrical**  
**513.791.7272 ext.42**  
**thoar@datalliance.com**

