

# MANAGE INVENTORY & CONTROL COSTS WITH EDI

## OVERVIEW

The department store chain needed a strategic process in place where vendors could only deliver products to the distribution center when authorized to do so. Managing vendor compliance became a challenge and PITT OHIO stepped in with a seamless solution using Electronic Data Interchange (EDI), load numbers, a dedicated customer service group, and unique email address. With this fully-managed program with PITT OHIO, the department store gained visibility of vendor compliance and hours back in their day to focus on their business rather than watching over their vendor inbound shipments. With this increased visibility, the department store was able to manage inventory and control costs associated with excess product as a result of unauthorized deliveries.

## WHAT WAS THE PROBLEM?

Discount department store chain with 113 locations in 13 U.S. States sells apparel for men, women and children, home décor, and essentials such as cleaning supplies. The success of the company is dependent upon its shelves and racks being stocked while also keeping its distribution center in West Virginia well organized and stocked with merchandise from vendor deliveries.

The department store chain needed a strategic process in place where vendors could only deliver products to the distribution center when authorized to do so. They required a carrier to drive vendor compliance by managing the process preventing vendors from shipping un-approved merchandise.

Working with a direct carrier was preferred so they would be able to manage the vendor process from scheduling to compliance. This gave the department store visibility to which vendors were complying with the process as this was a priority.

## WHAT WAS THE SOLUTION PITT OHIO DEVELOPED?

The PITT OHIO Sales Representative worked with its customer service and IT departments to formulate a solution and a process we would follow when scheduling pickups for the department store. PITT OHIO created a dedicated email address and designated a specific group within our customer service department to manage the process.

Inbound shipments to the Distribution Centers in West Virginia must be received via EDI, which includes a unique load number. EDI, electronic data interchange, is the concept of businesses electronically communicating information that was traditionally communicated on paper, such as purchase orders and invoices. PITT OHIO holds the pickup tender and the vendor must message the unique email address to schedule the pickup referencing the load number given to them by the department store.

The unique load number with each shipment helps the department store manage inbound shipments to its distribution center. By establishing this process, PITT OHIO manages vendor compliance and reports back to the department retail store.

## RESULTS/ OUTCOMES

With this fully-managed program with PITT OHIO, the department store gained visibility of vendor compliance. They also gained hours back in their day to focus on their business rather than the timely task of watching over their vendors scheduling inbound shipments to their distribution centers.

Once the delivery is made, the department store is essentially "stuck" with the inventory and is invoiced for the unauthorized product. With this increased visibility, the department store was able to manage inventory and control costs associated with excess product as a result of unauthorized deliveries.