

Efficient supply chain process and improved customer service at Kaha

“It is a great advantage for us to have a comprehensive and versatile solution which can support our supply chain processes.”

Kaha Oy, importer and wholesaler of automotive spare parts and components, handles hundreds of orders and associated documents every day. In order to stay successful in a competitive market, it is important to automate and optimize processes, and for Kaha StreamServe EDP has proven to be a smart way to work.

High quality invoices – part of the customer service

Kaha uses Movex (now Lawson M3) as its ERP system and StreamServe Enterprise Document Presentment (EDP) for all output. Movex was implemented in 1999 and although a good solution for other purposes it was clear that improvement was needed on the document side. Kaha was receiving some customer complaints because of poor lay-out of important business documents such as invoices. When Kaha got in touch with StreamServe through the Movex user group in Finland, a decision was taken very quickly. With StreamServe EDP new invoices with better layout were produced and Kaha was much better equipped to fulfill their goal of being customer oriented, which is part of their strategy. Working with high-quality, top-of-the-line brands the company strives to compete on quality and customer service, rather than price.

More documents have been added over time – order confirmations, delivery notes, picking lists, and more recently address labels and transportation documents such as freight bills. All documents are produced in Finnish, Swedish and English. StreamServe EDP is also used for e-invoices and EDI. Already today, half of the order documents are distributed electronically. The expectation is to reach 65% by the end of 2007.

- The value of StreamServe is in a way priceless, because if bad invoices or other business documents cause customers to leave, it is definitely a major loss, says Ray Blomqvist, Logistics Manager at Kaha. Customer service and reliability is worth a lot for us, even though it is difficult to measure in euros and cents.

- With a yearly volume of 250 000 picking lists, about 80 000 invoices and a number of other documents, processes need to run smoothly and efficiently. StreamServe EDP has been able to cover a wide spectrum of needs and really support us in our core business of selling and moving goods. If it had been necessary to invest in and implement



Ray Blomqvist

Logistics Manager,
Kaha Oy

other products for some of the areas that StreamServe now covers, it would have meant spending more time and effort, to maintain several different solutions from different suppliers.

Electronic documents save time and money

One of the more recent additions to the solution is electronic transportation documents. When the issue was raised Kaha evaluated a number of alternatives. The fact that Kaha already had good experiences from using StreamServe made the choice simple.

- Instead of only being able to print on paper the personnel can now choose either to print or to create an e-document, Ray Blomqvist explains. In the latter case, a file containing all necessary data on customer level is produced and then reformatted by StreamServe so that it fits the specifications of the receiving delivery company. StreamServe also distributes the file to the delivery company. The package number constitutes the unique ID which follows the goods on the address label and transportation document. Today, about 40% of the transportation documents are electronic. We would use electronic documents in 100% of the cases, but some of the large delivery companies are not yet able to receive the transportation documents in electronic format.

Kaha also uses StreamServe for e-invoices. The file with invoice information, together with PDF versions of the invoices are sent to an e-invoicing hub – in Kaha's case run by TietoEnator – for further distribution to the customer. Today about 10% of the invoices are e-invoices but expectations are that this will increase to over 30% in 2007.

- We save money from not having to print and post invoices, but cost savings on the receivers' end are actually even more important, as it is easier for the customers to handle electronic supplier invoices, Ray

Blomqvist states. So, in some ways this is a customer service, and we do have more and more requests from customers to invoice them electronically. I think we have the right timing with this; now that more customers are asking for e-invoices we are able to offer this service.

When producing electronic documents instead of paper documents Kaha saves money on paper, print, staples and the time it takes to handle physical documents.

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- It is quite interesting to note that the little things actually add up to considerable amounts. We have about 900 transportation documents a day and each is on average three pages. The foreman used to spend an hour a day printing and stapling these, time that can now be used to perform more productive tasks. We also realized that using the printer's stapling function costs a lot more than you would think. We save thousands of euros on that factor alone!

Kaha has used StreamServe RePrint for archiving since March 2005. Before that an external partner took care of archiving the invoices. It worked well but now that Kaha does their own archiving they can also store credit notes, reminders and interest invoices automatically, which is beneficial as everything can now easily be found in one place.

- StreamServe has turned out to be a very reliable and stable solution on which we have been able to build further, step by step, Ray Blomqvist says. It is a great advantage to have a comprehensive, versatile solution which can be used to support many parts of the supply chain processes – and not just the actual documents themselves.

Improving further

At the moment Kaha is running an EDI project. The EDIFACT standard is working well for some customers. It is quite expensive though, and does not suit all customers, especially those with lower volumes. Therefore Kaha also supports other, simpler versions of EDI, and uses StreamServe to handle the data conversion. Currently five pilot customers are part of this solution and Kaha expects that approximately 25% of EDI transactions will go this way in the future.



Once this project is completed the next step will be to continue the work on internal processes, in order to automate as much as possible. StreamServe EDP will be able to support a lot of that, for example by making sure that the right document appears at the right point at the right time. Small improvements in routines that are performed many times a day will make a difference to the overall efficiency and service level.

- There is also continuous work to increase the share of electronic distribution, for all types of documents. With StreamServe, technical aspects are no longer the issue; it is rather a matter of successively transitioning customers and partners over to those distribution channels. We have set up goals for reaching a 30-70% share depending on the document type and we expect to reach those goals before the end of 2007.

- Going forward we value our good relationship with StreamServe, says Ray Blomqvist. We have very knowledgeable resources in-house but when we need assistance or when new needs arise StreamServe provides local support, expertise and people who know our business.

Facts

Kaha Oy is a part of KGK Group, which is the leading automotive wholesaler in Scandinavia and the Baltic countries. Kaha Oy has yearly revenues of 60 million euros and represents well-known branded products from the world's leading automotive manufacturers. The product range consists of more than 70 000 items in stock and they are sold through dealers and workshops all around Finland.