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eRetailer Improves Vendor Compliance and Supplier Relationship Management with Help from Intrinsic

In the fast-paced world of electronic commerce, our client needed to assure that they could prevent late deliveries from vendors, rather than react to them after the fact. It was important to assure the accurate performance of their vendors, in order to assure that they could service their own customers. Intrinsic principals took on the challenge and:

- ◆ Established processes for vendor performance management
- ◆ Introduced vendor compliance metrics
- ◆ Re-defined vendor backorder management process
- ◆ Improved expediting process and tools

The company's goal was to improve on-time delivery performance and to improve vendor fill-rate performance. Additionally, the company had difficulty in managing backorders when they did happen, and often had no way to track orders until it was too late.

Intrinsic provided a consultant with extensive purchasing and vendor compliance experience who quickly defined the issues. The company needed to define their specific goals and then go about creating new vendor management processes to meet those goals, along with creating new measures to determine the level of their success.

The first step was for the eRetailer to get their own house in order. Our consultant improved their effectiveness by redefining the prioritization method for backorders and expediting to assure improved on-time fulfillment. New expediting systems and metrics that improved performance were designed and implemented in just a few weeks.

Next, our consultant designed new processes that improved communication of desired performance, and projected demand to the vendors. This aided the vendors in production and fulfillment planning. The information improved coordination between the eRetailer and their vendors, thereby improving fulfillment by the vendors.

Vendor fill-rates increased, and improved the eRetailers perfect order performance to their own customers. Additionally, the new metrics allowed management to evaluate vendor performance and communicate the appropriate actions for improvement. The new processes allowed this company to gain control of their internal and external product movement.

About Intrinsic Value Chain Solutions

Intrinsic Value Chain Solutions, was founded to provide inventory consulting services and technology solutions that help companies to increase revenue, cash flow and profit without engaging an army of consultants. Our principals provide the expertise to develop inventory and logistics processes and solutions that ensure minimal inventory levels and high customer service levels. Further information can be found at our website at:

http://www.intrinsicvaluechain.com/offerings_intrinsic_value_chain_solutions.htm

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