



**MANUFACTURER'S SUPPLY COMPANY
LEVERAGES QSTRAT SOURCING FOR
BUSINESS IMPROVEMENT IN QUOTATION
MANAGEMENT**

CASE STUDY

THE COMPANY: MANUFACTURERS SUPPLY COMPANY

Manufacturer's Supply Company (Mansco) is a Fastener Distribution and Supply Company based in Grand Rapids, MI. Operating since 1928, Mansco provides superior customer service and support to manufacturing operations across the USA with locations in MI, AL, and TX.

Mansco serves a diverse customer base. Their business model includes both direct ship materials and Vendor Managed Inventory (VMI) programs providing full inventory management and replenishment services to their customers on-site and managing over 46,000 SKUs.

THE CHALLENGE: IMPROVING CUSTOMER QUOTE TURNAROUND TIME

The distribution business model revolves around the ability of vendors to quickly and accurately deliver responses to customer requests for quotes on new, expansion, or maintenance business opportunities.

At Mansco, this requires a team of professionals from the Sales Reps to the Pricing Coordinators to the Procurement Professionals and Delivery Team, all working together to quickly provide responses in a highly competitive marketplace. The ability to get there quickly and accurately often makes the difference between a win or a loss.

With quote volumes increasing significantly, and as Customer's needs and expectations for a faster turnaround on RFQs continues to evolve,

Management was looking for an innovative technology solution to meet customer requirements.

With stated goals for quotation response times for each type of order processed, Mansco had the metrics in place to evaluate the performance of a new quoting system.

THE SOLUTION: MANSCO AND QSTRAT WORK SIDE BY SIDE TO DELIVER A CLOSED LOOP QUOTING SOLUTION

A review of their legacy "sourcing" system, an internally developed solution which had reached end-of-life, led to a search for an Enterprise Grade Sourcing System that could support their sourcing and quoting activity while minimizing the implementation effort and resources required to deliver value.

Initially, Mansco did not think a product existed that would be even close to supporting the key business processes already in place in the legacy application and delivering a competitive advantage.

It was expected that a customization effort would ultimately be required, potentially resulting in a costly "Mansco specific" solution.

After reviewing a number of solutions on the market, the team found **QSTRAT's QLM Sourcing™** and quickly realized that their expectations could be met and even exceeded with a "cloud-based" standard solution able to deliver on their business requirements in an efficient and cost-effective manner.

Functionality

The main objective of the project was to replace the legacy system and improve the efficiency of the end-to-end quoting and sourcing process.

An element that provided an immediate benefit is the ability within QLM Sourcing™ to split a customer's inbound RFQ into multiple suppliers, "category-specific," outbound RFQs. The legacy system had a limitation where all parts were sent to all suppliers on an RFQ. This meant either breaking up a customer's RFQ into multiple supplier RFQs or including suppliers on an RFQ knowing that there were parts on the document to which they would not be able to respond.

The QLM Sourcing™ system's ability to categorize suppliers into groupings that make sense according to the buyer's requirements, and then distribute the outbound RFQs to suppliers on a line by line basis according to the attributes of each line, means the customer's RFQ is maintained as a single document for tracking and response. Meanwhile from a supplier perspective, the process is improved since they no longer have to sift through lines against which they will not quote, and potentially be rated in a negative way based on their non-response.

The QLM Sourcing™ system's automatic population of the decision matrix "QuoteCube™" provided a significant bump in effectiveness, as there was immediately no longer a need to accumulate and re-enter supplier response information.

With a single "button click" in the PDF form provided from QLM Sourcing™ the supplier's information is verified, recorded, and confirmed back to the supplier. Suppliers are able to review their responses, and even re-send updated and improved responses.

The elimination of the manual process increased both the effectiveness and quality of Mansco's decision-making.

The integrated process for including attachments with an RFQ provides a unique and improved functional ability. Mansco buyers can not only easily coordinate and level-set the information sent to suppliers, according to the items being quoted, but also easily track all communications in both directions within one consolidated transactional history.

The increase in process visibility and related measurement data focused specifically on the quoting process has provided new management tools. This includes the "Supplier Scorecard Dashboard" where supplier quoting performance against established standards is immediately available for review.

Getting more work done, with higher quality results, without the application of additional resources.”

Configuration vs Customization

The IT team at Mansco entered the sourcing implementation process armed with their past experiences of dealing with packaged software solutions and vendors, expecting a challenging process of managing business requirements and expectations with the ability of a standard solution to exactly meet what the business needed.

What they found working with QLM Sourcing™ and QSTRAT was both a solution that is configurable at a deployment level without the need for customization or development, as well as a support team with a singular focus, that being the success of the customer as they use the solution.

Working closely with the QSTRAT team, Mansco has been able to make the “cloud” solution their own. This includes working with “user-defined” system elements like fields and form connections, as well as building the data tools required to keep all systems in synch.

Mansco has also become a key partner in the ongoing development of the QLM Sourcing™ solution, driving both Mansco specific and industry aware functionality that will benefit existing and future users of the QLM Sourcing™ solution.

“I’ve worked with many software companies over the years, and QSTRAT is by far the easiest and most helpful group I’ve ever worked with! The entire team is just great to work with.” **Toni Lutke, IT Manager**

Integration

From a process perspective, there were two key elements of integration that were particularly important to the Mansco team.

The first was integration to the enterprise system for accessing information about parts already in the system that could be leveraged more quickly than starting from scratch on an altogether new purchased item. Having that access within the eSourcing system would save time and increase accuracy while guaranteeing high quote quality.

QSTRAT is able to provide this integration through a regular upload of part information directly into the QLM Sourcing™ database. As lines are added to a developing RFQ, users are able to easily query the part database based on specific item attribute information such as part number or product family,

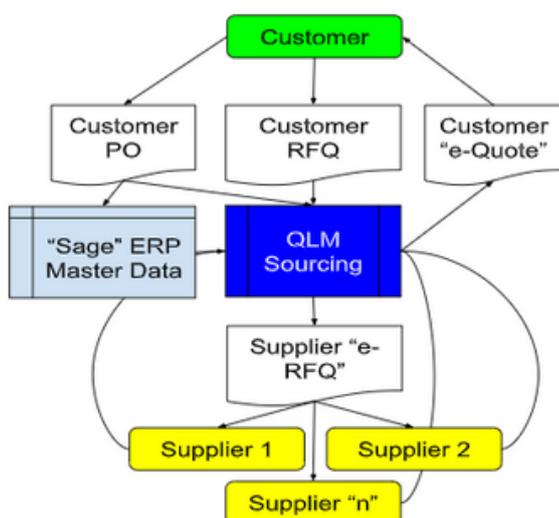
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or through a “fuzzy” search on the item description. Presented with a list of items and previous quoting activity meeting the search criteria, as well as key

information from the enterprise system such as cost and on-hand inventory, buyers can rapidly select already sourced parts and continue with the development of the quote.

The second, and perhaps most critical element of the system integration, is connecting the supplier response information to the customer quote document, without having to re-key information from one system or document to another.

QLM Sourcing™ seamlessly provides this critical connection within the application, as customer quotes are developed, reviewed, and sent to the customer through the application with the click of a button for each step. The “Awarded” supplier’s cost information is “marked up” according to system settings, and added to the customer quote form for issuance to the customer.
[Mansco’s QLM Sourcing™ Process](#)



THE BENEFITS: MANSCO'S QUOTING PROCESS IS RECEIVING ACCOLADES FROM THEIR CUSTOMERS

More than six months into the use of the QLM Sourcing™ solution, having processed more than 4,500 quotes in that period, the success of the project is now clear.

“The visibility QLM Sourcing™ provides of the quotation cycle from customer to supplier and back again gives new meaning and value to the entire business process. Both the efficiency of the process and the tracking and analysis the QLM system provides have been great additions to our overall performance.” [Mark Hendrickson, VP Sales and Marketing](#)

Delivering Real Business Value

Users are able to work with the QLM Sourcing™ system effectively, and the user experience or “UX” has been positive. The single database for all quoting activities provides one source of the truth that is visible to all stakeholders in the process.

The increased velocity of the quoting activity, when completed in the QLM system, has allowed the team to focus more on the critical analysis and market testing work that opens up new sources of supply and makes Mansco’s offering more value to customers.

As expected, the Customers’ concerns about response time have been eliminated, while at the same time the gross margin of the business has improved.

These key benefits are related to the implementation of the software as well as the result of people, processes, and technology coming together in a focused and complementary way to deliver improved business value.

Conclusion

Mansco was able to successfully replace a system that had been in place for a number of years, most importantly one that had been built from the ground up to support their business model and mode of operation. This was achieved with a function-rich and configurable solution deployed in the cloud, QSTRAT QLM Sourcing™.

The process of implementing the QLM system was managed well both internally and externally, and the result was a number of benefits both expected and unexpected:

- Improved Gross Margin through better quoting execution and increased time for reviewing cost-save opportunities in the quoting space
- Elimination of customer concerns regarding the sometimes lengthy cycle of completing a customer's request for quotation
- Increased efficiency, tracking, and reporting within the quotation business process
- Replacement of an aging legacy system with a standard and supported solution, thereby reducing risk of failure