

Controlling Company Spend with a PunchOut Catalog Solution

Reliance helps a customer reduce purchasing cost with an easily implemented, no-cost solution

Background

A major American adhesives manufacturer was looking to reduce its spending on DOT placards, labels and markings for shipping of dangerous goods. With 30+ locations in the U.S. and more than 100 locations worldwide, the company's Sourcing department was stymied, as logistics coordinators at many plant locations were using P-Cards to order DOT labels and placards from any supplier they wished, including suppliers whose products had failed to meet pricing and / or performance standards set up by the company.

Challenges

Reliance Label Solutions became aware of some of these performance issues while visiting manufacturing facilities in preparation for an upcoming business review. While touring a plant in Houston, we saw DOT 4 x 4 labels falling off painted steel and HDPE drums that were stored outside in hot summer months.

When we presented our findings to the corporate office, they explained the difficulty limiting purchases from unauthorized vendors. The manufacturer asked Reliance to put together a formal proposal with recommendations.

Analysis

Reliance collected samples of the manufacturer's DOT labels and placards and began conduction test for image durability, adhesive performance and overall life expectancy. As part of the discovery process, Reliance learned that the adhesives manufacturer was using SAP Ariba Network to help with their global purchasing.

Solution

The formal proposal presented to the corporate sourcing department included pricing for all DOT labels and placards used by the company, as well as results of durability testing for all material substrates. The final recommendation called for Reliance to provide a PunchOut catalog solution that would integrate directly with the SAP Ariba Network, giving the Sourcing group much better control over company spending and providing a better shopping experience for their internal customers.

After reviewing the proposal, Sourcing awarded all the DOT label and placard business to Reliance. They also requested that we work with Ariba to implement a punchout catalog within eight weeks

Implementation

Working with designated contacts at the adhesives' manufacturer and SAP Ariba, Reliance's IT group created an online catalog of over 1,000 DOT labeling and placarding products, along with a smaller grouping of GHS chemical labels used by the manufacturer.

Because Reliance already had years of experience working with Ariba (**in 2018 we processed over 7,500 purchase orders through Ariba, with 98.63% of orders shipping on time**), we were able to integrate the catalog within the Ariba network and take our first PunchOut catalog order within the eight-week timeline.

Results

The customer is now able to manage their costs by eliminating the use of P-Cards and directing all purchases through the Ariba PunchOut catalog. With all plants using DOT labels and placards from Reliance Label Solutions, the adhesive performance issues were quickly resolved.

Before PunchOut Catalog	After PunchOut Catalog
(Paper Catalog) pricing, products may be out of date	Pricing is Live, content is dynamic
Supplier, pricing are unknown	Buyer Reviews/Approves Supplier & Pricing
Standard offerings	Customizable Content
Manual Orders with P-Card	Orders Automated
Audits almost impossible	Audits and reporting much simpler.

About Reliance

Reliance Label Solutions specializes in manufacturing hazardous container labels for the Lubricant, Petroleum and Chemical industries. Our chemical drum labeling solutions provide successful GHS, HazCom and IMDG labeling implementation. Reliance also provides DOT labeling, placarding and marking solutions.

"We're On It"® with certified materials, manufacturing best practices, our Vision® label printing software, inventory management and next day shipping. Our GHS compliant products include labels, label printing software, color printers and printing consumables.

Reliance has proudly served the Lubricant, Petroleum, Chemical, Distribution and Industrial markets for over 30 years. We are headquartered outside of Kansas City, KS and are ISO 9001:2015 quality certified.