According to Frits Thomsen, CEO at Syncorder, there is potential for improvements of the quality of the order data that are sent back and forth between companies. Illustration: Vibeke Brylle.

The Cloud and Social Media Ensures Supply Chain Master Data

Cloud technology, mobility and inspiration from social media pave the way for next generation EDI. A new solution automates the order data flow and simultaneously syncs data so that they are continuously corrected. This implies a considerable optimization of the most elementary level of the supply chain collaboration, namely the order data.

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25 years of empirical data with supply chain management and many company analyses during the last year show that there is potential for improvements in the quality of the order data exchanged between companies.
One estimate is that 10 percent of all companies have diverging order data on less than 5 percent of their orders, larger groups typically show discrepancies on 10 to 20 percent of their orders, while a last group experiences discrepancies of more than 20 percent.

These discrepancies lead to buyers and sellers looking at inconsistent data throughout the order process. This may affect main data on part numbers, material descriptions, delivery date or invoicing addresses, currency used, INCOTERMS, etc., as well as transaction data such as delivery time, quantities and prices.

Empirical and not scientific data

These figures were given by Frits Thomsen, who has a proven track record with logistics management in major Danish companies. He stresses these to be empirical, not scientific. He is the creator and developer of SYNCORDER, an internet-based supply chain service. SYNCORDER aims to ensure that commercial companies work on a consistent information flow in their activities.

The SYNCORDER service solution also ensures that unplanned changes, which occur during the delivery process, are harmonized, enabling both parties to look at the same modified data, located in the cloud and assessable

via Web browser solutions from a PC or tablet.

The service may be used both as a stand-alone solution or connected to the company's ERP system with an integration solution, SYNCORDER Business Connector (BCS), also developed by SYNCORDER.

Inconsistent data cost a lot of money

"It is not an inherent process error that the parties' data diverge. The information status simply does not match, and this can have many good explanations.

"But the consequence is that companies waste a lot of resources manually correcting data, doing the same work twice, needing to repeat processes and tasks that do not add any value," says Frits Thomsen who adds:

"If 20 percent of orders don't coincide, it rapidly sums up to big amounts that in the strictest sense of 'lean' must be considered as waste"

Frits Thomsen, CEO, Syncorder

The handling of one order in a high cost country typically costs EUR 75 in manpower   to each party. Problematic orders cost 2 to 3 times that amount, and if 20 percent of orders diverge, it rapidly adds up to big amounts that in the strictest sense of 'lean' must be considered as waste.

"I know of a considerable number of companies with one or more employees on the payroll who spend all their time sending out reminders for order confirmations or shipment notices, or manually correcting errors, or sending credit notes correcting errors in prices or quantities that have not continuously been synchronized."

The order flow is the most fundamental operational activity, for companies to do business with each other. Data created at the order phase is the source of the information used throughout the supply chain.

The order data therefore precedes any quality management and any value creation reflected by proper records, accurate stock keeping and stock balancing.

Dynamic data sharing

The main idea behind SYNCORDER is dynamic data sharing on a cloud-based platform, with a continuous harmonization or synchronization of the information, to the effect that the quality is always up-to-date, for both parties. For many years EDI was used to automate the order data flow between companies. EDI works well for a large company which has spent a lot of effort to do the basic mapping as a prerequisite for EDI. Further time will have been spent on programming specific data up-loading and validation filters to the Company ERP system.

Many web-based customer or supplier portals exist, but requiring the other party to enter data first into the portal and then into his own system, which represent both a source of errors and double work seen from a supply chain optimization perspective.

 "Orders are often modified after having been confirmed both at the buyer and seller end, and with the existing methods it can be difficult to ensure that any given modification is also reflected on the other party's side", explains Frits Thomsen.

SYNCORDER synchronizes data, achieving modifications being reflected at both the buyer's and seller's end. This is possible because the solution is online, and because it is integrated with data uploaded and downloaded to the companies' ERP systems.

Global ambitions

The solution was developed by a team of IT architects and programmers, supply chain experts, buyers and sellers, and is now in the process of entering the market. The solution has been acquired by a number of Danish and Baltic companies; there is considerable interest in Singapore and China in this new solution, and SYNCORDER expects to inaugurate its Chinese operation early this year.

"CRYPTERA A/S, the company behind the well-known pin-pads, used practically all over the world to enter data when using an ATM or when refueling your car via credit card, is one of the first wellknown customers to adopt the solution".

We needed a process-oriented solution for quick and easy connection of customers and suppliers, and we wanted only one connection from and to our ERP system. "SYNCORDER solves this in an excellent way, because it relies among other things on web technology, which facilitates system interconnections using an XML interface," explains Chief Financial Officer Henrik Gregersen and adds:

"Syncorder is built by people with a good understanding of business, production and supply chain requirements. They were for instance able to build solutions to manage forward warehouses, which CRYPTERA uses around the world."

In my view, SYNCORDER offers efficient and effective SCM, because of immediate and "on-the-spot" detection and remediation of discrepancies in the order flow ", says Frits Thomsen. SYNCORDER receives financial support from a number of private investors such as Hoffmann Capital from Esbjerg.

Frits Thomsen does not hide the fact that SYNCORDER ambitions are high, but that one step is taken at a time. He stresses that no company is too large or too small to use Syncorder, and that basically the SYNCORDER market is the entire world, as many companies' supply chains have become international and often globalized.