

Autoclear

Business



Company: PerwillCustomer: AutoclearSubmitted by: two one
communicationsDate: July 2002

Objective

To enable automotive component manufacturing SMEs (small & medium sized enterprises) in the West Midlands (UK) to reap the benefits of e-commerce technology without significant financial investment or technical expertise.

Background

Autoclear evolved from the Autolean project, whose objectives were to encourage SMEs in the UK's West Midlands automotive component supply chain to use the Internet and related technology to improve the running of their businesses.

The Autolean project delivered measurable and tangible benefits to the SME community, and it soon became apparent that e-commerce across the supply chain could provide further benefit. Wolverhampton University, in conjunction with Birmingham ; Solihull TEC, therefore applied for new European funding for a project called Autoclear. In this project, the most enterprising 20 or so companies from the Autolean pilot would be encouraged to exploit e-business technology. The Autoclear joint initiative is funded by the Accelerate project, part of the European Regional Development Fund (ERDF), and the Rover Task Force. It is now channelled through the offices of Business Link.

Execution

Autoclear sought a commercial partner to provide the tools needed to enable the interchange of forecasts, delivery instructions and delivery notes between supplier and customer.

Perwill Plc was selected, following a survey of possible commercial solutions and a detailed evaluation. Dr Garry Homer of the University of Wolverhampton (main contractor), said that key selection criteria were: “ a verifiable track record, and demonstrable tools that supported two-way communication in a true supply chain, involving not just a simple A-to-B relationship, but one that could demonstrably handle multiple tiers.” The Autoclear solution is based on a secure website (128bit encryption) that is deployed as a private Internet trading exchange and which provides true business-to-business integration (B2Bi) functionality between companies. The web-based solution was created and is hosted by Perwill. It implements the complete order processing cycle and fully embraces Just in Time principles.

Order Call Offs, Acknowledgements and Delivery Instructions and Despatch Advices flow between large automotive companies and their supplier community. As the SME community was already familiar with an existing fax-based document format, the new on-line documents exactly matched the fax format. This simple approach quickly overcame any ‘ fear factor’ in an inherently conservative user base, associated with the introduction of new technology. Once registered to the service, users are advised of ‘ new messages’ via email. They can then log onto the system and process the messages on-line.

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Each user is provided with a security profile, which controls a simple menu system through which they can view data relevant to them and only them. Usually used by large enterprise-level operations, Perwill eBiz-Manager met Autoclear's requirements fully. Homer said that Perwill had achieved Autoclear's aim: to deliver solutions to smaller companies who previously wouldn't even have contemplated EDI (Electronic Data Interchange), and certainly not full web-based B2B trading. Homer commented: " I've got nothing but admiration for Perwill; they're a good outfit to work with – they're very practical". One trading cluster that has adopted the Perwill eBiz-Manager implementation is a Coventry-based automotive manufacturing group, Mayflower Vehicle Systems plc. Mayflower consists of 20-50 SMEs who supply components into the UK automotive industry.

They use the Perwill eBiz-Manager to integrate their cluster across the whole supply chain and to communicate with Mayflower itself. Other clusters have been implemented within the Autoclear initiative, involving some of the best known names in automotive component supply in the UK.

Return on Investment

Autoclear has provided a mechanism to automate fully the supply chain of an otherwise disparate group of SMEs using B2B e-commerce. It has helped eliminate paper documentation and reduce cost for each SME by between £6, 000 and £7, 000 per annum – just to communicate with Mayflower. According to Homer, costs multiply significantly when an SME needs to talk to other customers whose systems may be incompatible because they are using different variants of the EDI protocols (what he calls the " tail wagging the dog").

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With Autoclear using the web as a central ‘clearing house’, the costs reduce dramatically because the Perwill eBiz-Manager translates between the many disparate systems across the supply chain. This ‘Trading Exchange’ based approach removes both the constraints and the costs from the trading community, thus allowing third and fourth tier SMEs to take advantage of e-business technology. Such companies, who may be just six people strong, can now afford to participate because the cost is dramatically reduced. In addition, less demanding communications are required: a dial-up modem suffices, instead of the higher-bandwidth requirements of enterprise-level EDI. The reduced cost of participation has led to fewer de-selections of small companies from the cluster because they cannot afford the price of admittance – which otherwise could have been up to £40, 000 each.

Conclusion

At the end of the project, the exit strategy allows for the Autoclear participants to continue using the system. The project has now become a fully-commercial venture between Perwill and Mayflower – and any other hub organisations that wish to take advantage of the technology. Discussions between Perwill and other such companies are already taking place. Homer comments: “Universities aren’t in the business of competing with commercial companies. With people like Perwill, we are in the business of identifying opportunities and guiding those opportunities that will be to the benefit of UK industry in general.

If, as a by-product of that process, companies like Perwill make commercial gain, well that’s exactly what they should be doing.”

The Future

As the pilot Autoclear project has proven the concept, the University of Wolverhampton is now putting together a proposal to bring other less structured documents into scope, such as metallurgy reports and certificates of conformance. Being ad hoc, such documents do

not ordinarily fit into the EDI document structure. This causes technical issues that will need to be addressed. Homer seems

confident that, with Perwill's continued involvement, they will succeed: “

They've not let us down; they've been a very good partner and they've delivered what they said they'd deliver, despite the many frustrations along the way.”