

## The Quest to Eliminate Data Entry

*RPM won its client by promising seamless software integration.*

By Andy Brown

Partners Glen James (left) and Frank Poeschel of RPM, Fort Worth, Texas, won a major retail chain's distribution business by offering to integrate the two companies' software platforms using XML technology. A large retail chain with multiple locations relied on distributor RPM, Fort Worth, Texas, to supply a variety of items it uses to run its business. RPM would ship products to the chain's internal distribution center, which would then distribute them to individual stores.



Then the chain's management launched an initiative to reduce company-wide expenditures, and its distribution center was targeted. "The specific goal was to reduce costs by outsourcing what they used to do internally," says Glen James, managing partner of RPM. The distributorship positioned itself to take over the chain's entire distribution of items that were not resold to consumers, but the company balked. "They were concerned about the size of our company, and the support structure we had in place," says James. "We explained that this small part of their business was our expertise. We also had a history with them and other large retail firms to back our claims." The company still needed convincing that RPM could reduce its costs. "We did multiple site surveys and activity surveys," says James. "They had to completely open up their books to us, as we did to them, so we could show them how we reduce costs. That's when the light went on and they started to understand."

The client agreed to outsource distribution to RPM, but there was still one condition. Rather than rely on a separate online interface for ordering and tracking items, the company demanded that RPM's software platform integrate with its PeopleSoft program.

### Crossing the Divide

To integrate the systems, RPM contacted Norcross, Ga.-based TopForm, its software supplier. TopForm was responsible for helping build the bridge between RPM and its client's system using Xtensible Markup Language (XML). "It's a big improvement over the previous technology that was used for the same goal—Electronic Data Interchange, (EDI)," says Julie Pritchard, vice president of sales and marketing at TopForm. "Distributors, manufacturers and customers can exchange data to become more efficient. They can eliminate redundant data entry and become the vendor of choice because they help customers streamline their operations as well." Among its advantages, XML documents are human readable, not long strings of code. Also, XML data can be transmitted easily over the internet.

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*Julie Pritchard  
Vice President of Sales and Marketing  
TopForm Inc., Norcross, Ga.*



TopForm, RPM and its client worked together for six months to get the system fully operational. "It opened up a broad door for us," says James. "We distribute all of their items that are not to be resold." Individual retailers

issue purchase orders within the PeopleSoft system, and the order information is sent directly to RPM's TopForm system via XML. As RPM receives the purchase orders, it sends receipts back to the PeopleSoft system so the accounts payable invoices can be created. Retailers also can issue release orders through PeopleSoft, which are translated into XML and sent to RPM's warehouse. Shipping information, including tracking ID numbers, is sent back to PeopleSoft via XML. "If a distributor receives vendor invoice data electronically, and they don't have an operator to key in those transactions, you can see how XML would enable them to handle that business with fewer people," says Pritchard.

James says XML is the future of e-commerce. "There's definitely a trend toward linking with the end user, because they're not going to create an ordering model for their printed products only. They want one for all their products," says James. "Whatever internal system they have, we have to latch on to it, communicate with it and still process the order."

Taking over a company's internal distribution and integrating with its system poses challenges. James advises distributors in similar situations to consider the number and frequency of releases and packages per release that the company recorded with internal distribution. "The activity that originates in your warehouse has to be the same that was originating in their warehouse," he says. To guard against a sudden decrease, distributorships should ask for end users upfront to guarantee they'll spend a specific amount of money.

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***Glen James  
Managing Partner  
RPM, Fort Worth, TX***



### **Selling XML**

Like its EDI predecessor, XML technology is something that distributors should be ready to offer when their customers ask for it. Pritchard says that most end users approach their vendors with an RFQ or a mandate to implement new technology. Distributors who offer XML data exchange the first time will most likely follow their client's lead: "Before a distributor has this experience for the first time with a customer, the customer is pretty much going to dictate which data needs to be exchanged," says Pritchard.

Once distributors have made the technology investment and sold it successfully, they're poised to approach other clients. "Even if the opportunity is not large, there are cost-cutting benefits for the distributor to invest in XML technology," says Pritchard. "They've done it once. They know what they're talking about. And they can point to this success story and build on it."

The process for implementing an XML solution begins with determining an end user's needs. At an early stage, a software vendor such as TopForm works with the distributor to determine what data must flow from end user to distributor and back again. RPM employs a robust IT staff that acted as liaison between its client and TopForm's development team. Smaller distributors may not have an IT team but can still win accounts by touting their software supplier's capabilities. "We can be the IT department for our customers," says Pritchard. "As we learn the scope of the job, we help provide the distributor and the customer with a level of comfort that the job in fact can be done, and it can be done with the software the client has in place."

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