INTEGRATION

M A T T E R S

Software integration, led by the PromoStandards initiative, is helping some promotional products companies save time and money while improving the end user's experience. Can the same be done in the print industry?

BY DARIN PAINTER

A t the PPAI Technology Summit in 2014, Ken Phu, vice president of technology for promotional products supplier Hub Pen at the time, described automated order processing as the "Holy Grail" for the promo industry. The problem was clear to others in the room: The need to manually process orders — often wrought with missing or unclear information — was a costly issue for suppliers and distributors.

Essentially, the challenge has existed since the dawn of business — how to quickly and accurately communicate what a customer needs, so a vendor can produce and deliver it on time. The print world is no exception, with its own set of specifications, customization requirements and disparate technology systems.

Studies from PPAI and others have shown that poorly formed purchase orders from promo distributors to suppliers cost millions of dollars in lost revenue annually, not to mention giant headaches among end users. (Think of all the incorrect style numbers for apparel, or the times decoration costs are unknown, or when imprint information is unclear.)

Phu, though, had good news for his colleagues at the meeting. Hub Pen had been processing orders accurately and automatically, without the need to speak with distributors for clarification, and without undue delay. The company's president, Joseph Fleming, told the audience that orders coming in from one of its distributors were reaching the production floor in about half the time because they didn't have to be seen by anyone in the order-entry department. Nothing had to be re-keyed.

Better speed and accuracy had generated cost savings that Hub Pen was now passing on to the distributor, and in turn the distributor was giving Hub Pen more repeat business. The

distributor proclaimed its relationship with Hub Pen to be one of the most seamless in the promo industry.

The meeting's attendees learned that technology empowering the smooth supply chain partnership was developed by Essent Corporation, a Bethlehem, Pennsylvania-based provider of fully integrated business management software. Its OrderTrax® Network technology uses EDI (Electronic Data Interchange) standards to allow trading partners to exchange electronic business documents. (Visit *Essent.com* for details or to schedule a call.)

The win-win story was part of a bigger-picture movement for promotional products leaders. Essent and other companies were now helping to define and write code that could be used for widespread integration in the promo space. The initiative was called PromoStandards, and the question was clear: Who else wanted to participate so they could spend more time on productive activities like sales?

PromoStandards: What It Is, What It Does

PromoStandards (*PromoStandards.org*) is not software available for purchase, nor a company that makes plug-and-play tools, nor a for-profit organization.

Rather, PromoStandards is more like a map that guides developers and details how they can write computer code using a common set of instructions. That effort comes from a group of volunteer distributors, suppliers and service providers dedicated to improving supply chain efficiency in the promo industry. Their standards allow distributors and suppliers to integrate — to connect their computer systems so distributors and suppliers can automatically send and receive business information in real time.

This is more important than ever because of the popularity of
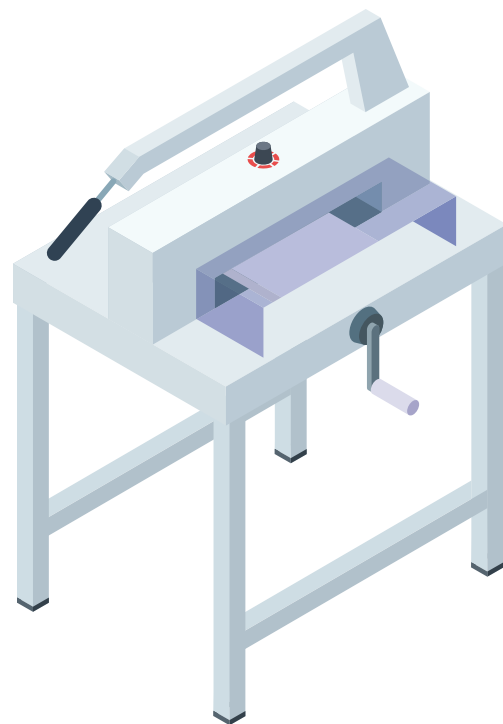
consumer-focused online ordering systems. As print and marketing services firms can attest, success today requires more than just the ability to sell products; it also takes the ability to connect to supply chain partners. Sometimes money saved is easier to achieve than money made.

Although integration and collaboration efforts among PromoStandards members began years earlier, PromoStandards was officially formalized in 2019. Its current board and members represent over $10 billion in sales, and they're committed to improving IT efficiency in the promo market.

The information that can be shared among PromoStandards members is data most often needed to move transactions forward:

- Inventory (Price and Availability)
- Order Status
- Ship Notices
- Media (Product Images and Videos)
- Product Data
- Purchase Orders
- Product Configuration
- Product Compliance
- Invoices

"Before PromoStandards there was no industry standard way to place a configured order, critical to custom product industries, and no way to check the status of the order on demand," says Eric Alessi, president and CEO of Essent. "PromoStandards solves these problems and more. It has unified digital integration for the promotional products industry and has significantly reduced transaction labor and costs between trading partners."

"Digital integration provides accessibility to real-time transactional data that allows distributors visibility to their orders," adds Bryan Sheaffer, vice president of sales at Essent. "For suppliers, integration reduces customer service labor across the board. It's a win-win where buyers have a better buying experience and sellers have an easier time selling and everyone has more visibility than ever before."

At the same time, Sheaffer says, trading partners are still challenged with the fact that their core business is not integration and they may need to support multiple protocols. That's why technology like the Essent OrderTrax Network is so important. "It makes implementation as simple as possible, whether companies are using the PromoStandards protocol or other protocols," he says.

The Big Question: Can the Same Be Done for Print?

As PSDA President Andrew Alford points out in his column in this issue (p. 10), companies in the print industry have a long history of working toward improving technology integration, including the stalled PrintTalk efforts of the early 2000s.

But, as Alford writes, "Integration brings us closer to our partners, provides real-time access to order positioning in the fulfilment cycle, and helps us make informed decisions that can cultivate the buying process."

To that end, and to map out the most significant integration needs between print distributors and suppliers, PSDA recently joined PromoStandards as an advisory member and formed a Technology Committee that includes several PromoStandards members. The association is committed to providing information and resources to help its members bring about more seamless integration.

INTEGRATION: 3 Big Advantages for Promo Suppliers

Software systems integration provides suppliers many advantages, including these three:

1. **It's easier for buyers to buy.** A supplier who can immediately show the distributor what's available for what price has a far greater chance of selling it. Distributors look for price and availability information when they're ready to buy.

Suppliers can use software systems integration and EDI to automatically provide buyers price and availability information. Distributors can then access real-time, accurate price and availability information online. Integration also streamlines product configuration, enabling the buyer to choose imprint locations, methods and otherwise configure the product according to business rules set by the supplier.

2. **It leads to reduced time and labor.** "Suppliers are inundated with orders and all the work that goes with it," says Bryan Sheaffer, vice president of sales at Essent. "Some of our supplier customers process thousands of custom orders on a typical day — having to manually process incomplete orders and, in a number of cases, waiting for critical elements like approved artwork arriving days later. Solving this starts with having the proper systems in place. Making it a success requires having the proper commerce network in place and proper understanding of the protocols."

Every time a buyer finds information online, it saves the trading partners time and labor. Every time a buyer finds price and availability information online, or configures a product through an integrated service, it saves the trading partners at least one email or phone call.

Also, trading partners can integrate for order status, so that a distributor can easily look up where the order stands rather than relying on supplier time and labor to find out. Shipping notices and invoices can also be integrated, creating the same benefits.
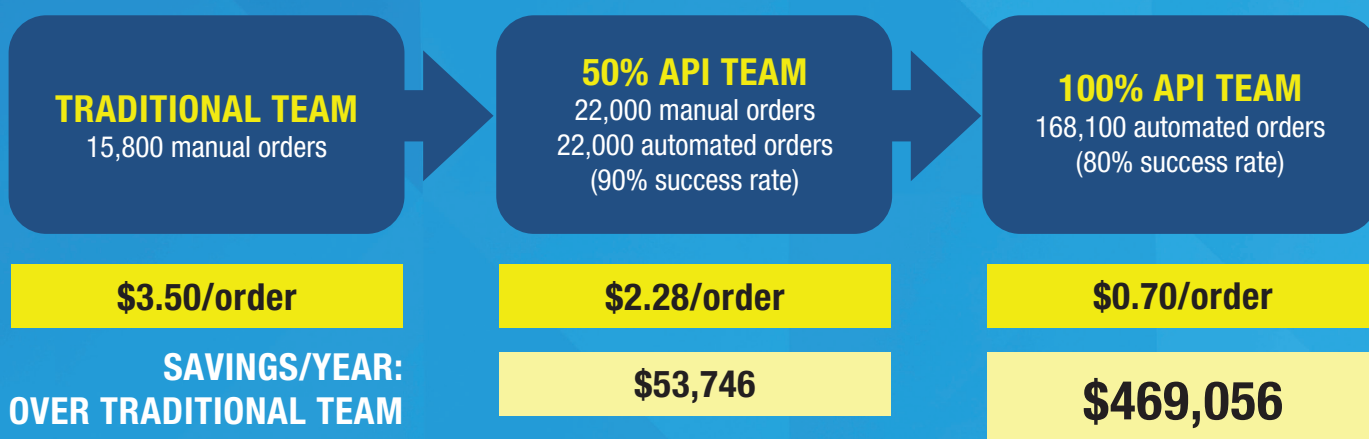
3. **Customers are happier.** Integration improves supplier customer service by providing distributors easy access to the information needed to place, manage and complete orders. It's easier and quicker for suppliers to satisfy distributors, who in turn can more easily and quickly satisfy their clients. From quoting to invoicing, distributors are automatically provided the information they need for the order lifecycle.

"Modern commerce is a fast-paced, just-in-time environment with tight deadlines and no room for error," Alessi says. "By their nature, print and promo orders can have a greater potential for error than a run-of-the-mill stock order. Distributors need smooth order placement with real-time access to order information and expect it to be conveniently, electronically available. Everyone implicitly understands the timesaving benefits and the advantages it provides trading partners. Buyers want, and the business environment demands, an Amazon-like experience — just like consumers experience every day. Real-time communication protocols like PromoStandards, coupled with the proper information systems, makes this a reality."

ORDER ENTRY COSTS

TRADITIONAL TEAM	50% API TEAM	100% API TEAM
15,800 manual orders	22,000 manual orders 22,000 automated orders (90% success rate)	168,100 automated orders (80% success rate)
$3.50/order	**$2.28/order**	**$0.70/order**
SAVINGS/YEAR: OVER TRADITIONAL TEAM	**$53,746**	**$469,056**

Automated Cost/Order: $0.01 Manual Cost/Order: $3.50*
*Includes QA

Order is submitted correctly the first time

With ecommerce, customers can enter their own orders

Correct invoices mean faster billing and payments, and fewer accounting issues

In May 2021, more than 40 PSDA members joined a webinar led by Jon Norris, COO of Starline, a $40 million supplier based in Buffalo, and the current chair of the PromoStandards board. During the webinar, Norris outlined why he believes an effort similar to PromoStandards could work in the print industry, pointing out that it could enable much more efficient print on demand. (To view the recording of the webinar, go to *psda.org* and click on Education, then Archived Webinars.)

Meanwhile, Essent has joined PSDA. "We see print as a sister industry of promo, and we want to bring the same level of integration we developed in promo to print," Sheaffer says. "The industries are very similar in a number of ways, including overlapping markets, suppliers, and distributors and is a natural fit."

Marco Peña, the company's business development manager, says, "Both industries have highly customizable products. Each order can be different than another. And there's a high priority to remove friction from the supply chain. Broadly speaking, many of the issues that we've learned and solved over almost two decades in the promo industry are issues that the print industry also wants to solve."

Says Alessi: "The success in the promo industry not only illustrates what can happen, it offers a roadmap as to how to do it." ■

Darin Painter is editor-in-chief of PS Magazine.

GO ONLINE FOR DETAILS AND A GUIDE TO START

PSDA recently joined PromoStandards to help facilitate better technology integrations between suppliers and distributors. Go to *psda.org/PromoStandardsStart* for more information and to access the "Quick Start Developer's Guide," a step-by-step guide to PromoStandards integration. You'll also find PSDA technology suppliers and manufacturers that can assist you with implementation.

PromoStandards: Getting Started

Getting Started with PromoStandards

PSDA has partnered with PromoStandards to bring you the technology integration you need.

What is Promo Standards?

PromoStandards creates industry-leading open standards that enable industry participants to improve customer experience, reduce transactional friction, and effectively execute digital strategy. PSDA has partnered with PromoStandards to map out integration between Distributors and Suppliers/Manufacturers.

Getting Started

To begin using PromoStandards, please see the Quick Start Developer's Guide below. Within this page, you will also find PSDA Technology Suppliers & Manufacturers who can assist you with implementation.

Quick Start Developer's Guide to PromoStandards

To begin implementation and to start using PromoStandards, click here for a step-by-step guide to PromoStandards integration.