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# Improve Shipping with Software Integration

Unfortunately the shipping process of an organization is often overlooked as an area for automation. However with current technology, efficiency improvements in the activities related to shipping can be realized with almost immediate return in resource savings and improved customer service. Shipping automation should be easy to implement and increase visibility of shipments for both staff and customers.

Several areas of the process lend itself very well to automation and don't need to involve significant changes in the order entry or warehouse tasks. Incremental improvements are possible with this type of automation as each task is analyzed.

With a basic shipping integration, communication between the shipping and ERP software application eliminates duplicate entry and reduces keying errors. This integration is most easily implemented when an organization uses a small number of carriers and is not interested in "rate shopping" – comparing rates and delivery schedules among carriers – for every order shipped.

In this case, the organization usually has a relationship with one or two carriers and has a workstation owned by the carriers installed in the warehouse. This workstation houses the carrier's software and can, usually after special request, be connected to the organization's computer network.

For this integration neither the ERP nor the shipping software must be altered, instead they are integrated – data is passed in between the two applications with little or no operator intervention.

Once an order is entered into the ERP software, the pertinent shipping information is automatically passed to the shipping software to be used. For domestic shipments, this information would include customer, destination, service level, and total dimensions and weight. For international shipments, details and tariff and harmonization codes must also be included.

The shipper will then be able to access the order through the shipping software and continues the process by adding the shipping parameters such as package sizes and weights. These values may have been approximated in the ERP software but the shipper should validate the information and finalize the cost of shipping.

The shipper then prints the labels from the shipping software and the order is ready to be shipped. Other required shipping documentation – bills of lading, customs documents, etc. – should be analyzed and included in this integration project. These documents may be generated from the shipping software or the ERP software – the decision will depend on the capabilities of each application.

After arranging the shipment, the tracking numbers for the order and the final cost should be automatically passed back to the ERP system. The two focus points here should be cost savings and improved customer service.

For cost savings, look for functionality to add flexible freight pricing such as flat-rate charges or mark-up options. For service improvements, options should include the ability for customer service representatives to track down a shipment for a customer based on any number of reference points and automatic email notifications to the customer and related sales staff.

The type of integration outlined above is usually achieved via text files being created in a central folder on the server that is open to both software applications.

It is a "low-tech" but powerful method of sharing the data and once a solution has been developed for one carrier it is relatively easy to add a new carrier as this technology is quite common.

Many carriers offer more advanced tools that can be used by developers to further enhance the organization's customer service offering and ERP integration. Using the carriers tracking tools, an organization's web site can offer up to the minute information on shipments to its customers thus reducing resources and empowering the customer with improved services. Performance metrics can be passed between the web site and the ERP system to improve reporting and freight analysis.

These same tools may be integrated into on-line shopping carts to allow the customer to view service level options and associated costs on a real-time basis. The tools provided by the carriers will integrate with their own websites to offer the most up-to-date rate and services options based on the destination entered by the customer.

For organizations that use multiple carriers, each order processed must be analyzed to determine the most cost-effective carrier based on the required service level and the pre-defined shipping parameters such as size and weight. This analysis is usually integrated in both areas of the process. When the order is entered, the operator is presented with the service level and cost options and selects the most appropriate choice. Once the order is picked and packed, the shipper validates the selection based on a review of the options given the more accurate package and scheduling data.

Enhanced integration to capture relevant shipping data in the ERP system will significantly benefit the organization in negotiations with the carriers. The organization can now report on all shipments and the performance and costs related to each carrier – a powerful tool in reducing direct shipping costs.

As with all integrations, the benefits derived from these automations will be different for each organization. A careful analysis of return on investment will determine to what extent the shipping process is integrated into the ERP and customer service goals of the organization. If uncertainties prohibit a large-scale project, start with simple automation pieces – further automation can be added once the benefits of the first phase are realized.

Join us next month for an investigation of CRM and integration to ERP systems – another important project for your sales and customer service teams.

#### About RW&A Inc.

Rowie Walker & Associates (RW&A) Inc, was founded in Toronto in 1972 as a bookkeeping and accounting service provider to small and medium-sized businesses spanning many industries and was the first BusinessVision partner in North America. Over the years, our service offering expanded to include software sales, systems implementation, software development, training and support. Recognized as a leading Sage partner organization, RW&A has been acknowledged with three Sage BusinessVision Visionary awards and Sage Software President's Circle awards in 2004, 2005, 2006 and 2007. RW&A sits on the Sage Development Partner Advisory Council (DPAC) and the Sage Business Partner Advisory Council (BPAC) and is a member of the IT Alliance. Visit us at [www.rwa-software.com](http://www.rwa-software.com) or call (888) 262-6101.

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