

CASE STUDY: Catania-Spagna Corporation

Catania-Spagna Earns “Preferred Supplier” Status with RedTail’s On-Demand Solution for EDI and GDS

The Challenge

As Catania-Spagna Corporation (CSC), a food product importer and distributor, began to experience rapid growth with the addition of new key accounts, it needed to find an easy way to meet its trading partners’ requirements for Electronic Data Interchange (EDI) and Global Data Synchronization (GDS). The grocery and food industries aggressively leverage these business processes to reduce supply chain costs where margins are razor thin to begin with. They seek and value suppliers who can comply with these practices.

For the Supplier, compliance means an increased cost of doing business. At first CSC was able to get by with a key account by using a web form – a non-integrated process that manually created an electronic transaction instead of a paper one. While this can work well for the Buyer, it causes proliferation of business processes and data entry for the Supplier who, over time, finds it necessary to support different web forms of multiple key accounts. As his business began to grow, General Manager Joseph O. Basile decided there should be an easier, cost-effective way to do this.

In search of a better solution, Joe considered several options, including hiring an in-house EDI expert or even a consultant, but the rates adds up quickly as the process also includes trading partner alignment of business rules, testing and troubleshooting. And this would not include start-up costs of \$25-50K for software and integration to ERP.

Another option was to use a broker, who offers EDI as one of their value add services, to handle the grocery chains. “We managed compliance with key accounts for a long time using a broker”, explained Basile; “but then we won several major accounts which our brokers did not handle.”

Increase in New Business

- Key customers give CSC preferred supplier status for best practices
- Unlimited capacity to take on new business

The Solution

CSC learned about RedTail’s on-demand, “software as a service” for business to business e-commerce from their value-added reseller (VAR) who told them about a solution with out-of-the-box integration to their SAGE PRO ERP® system. Using the RedTail Transaction Manager™ and services enabled CSC to connect to all of their trading partners seamlessly, without the need for costly in-house software and expertise.

“Turning to RedTail Solutions made perfect sense for us”, said Basile. “There was no downtime for implementation or lengthy training, and most importantly we didn’t have to change how we did business. We were up and running with RedTail in a few weeks with no disruption to our business or to our key customers.”

According to Basile, the major advantage of using RedTail Solutions is the interface to their SAGE accounting system. With only minimal training an employee with basic computer skills can manage the process which is reduced to a few minutes per day.

“Time is money”, added Basile. “When a key customer requests we do EDI, we simply make a phone call to RedTail and they make it happen.” More recently CSC has been asked to implement data synchronization by the large grocery chains. Again, this was just a phone call away. RedTail was able to activate data synchronization directly through its RedTail Transaction Manager, passing CSC product catalog descriptions, according to globally-defined industry standards, to the 1SYNC data pool. RedTail is a 1SYNC Solution Partner. They provide retailers like Wal-Mart the ability to receive accurate product descriptions along with packaging and pricing information to streamline the ordering process and reduce transaction errors with their suppliers.

Re-deploy Resources for Strategic Growth

- Potential \$100K+ for internal EDI saved
- Investment in core business: WMS

RedTail Saves CSC Nearly \$100K in Annual Costs that Funds Expansion

As CSC has added new trading partners and experienced an increase in their transaction volume, they are insured of virtually unlimited capacity for growth through RedTail's service. Hiring a full-time EDI specialist could easily cost CSC \$100K with overhead. Relying on an outside consultant would have cost \$35-\$50K on top of internal resources. And the start-up costs for software and integration to ERP, could be double the cost of the accounting system itself. Better to use the net savings to fund a new warehouse management system, that is critical to CSC's food distribution business. And when the time comes, RedTail can switch on integration to that system that will help CSC manage high volume advance ship notice transactions, print their UCC 128 bar code labels and RFID tags.

CSC has worked with RedTail for over 4 years adding services like global data synchronization and additional transaction functionality on top of its basic EDI as its trading partners continue to raise the bar on what it means to be a "preferred supplier". With RedTail's on demand services, CSC is able to implement supply chain best practices virtually, and grow its business. "RedTail has helped us convert our fixed costs to variable expenses, but more importantly it allows us to invest our resources in what we do best- making great olive oil."

About Catania-Spagna Corporation

Catania-Spagna Corporation is a 100 year old family business located in Ayer, MA outside of Boston. They manufacture and distribute over 45 food products to customers ranging from national industrial and food service companies, to grocers including Wal-Mart.

Olive and vegetable oil, liquid shortening and organic oil are just some of the food products produced by its 65 employees at its expanding manufacturing and warehouse facilities in Ayer.

About RedTail Solutions, Inc.

RedTail Solutions, Inc. a privately held company located in Westborough, MA provides on-demand services for EDI & GDS, with integration to leading accounting/ERP and business system solutions installed at supply chain companies.

RedTail delivers cost-effective solutions for all order level types (distribution center/store/drop ship to consumer), as well as a variety of communication protocols through a single, integrated solution. Suppliers with multiple trading partners and high transaction volumes can streamline their business processes, reduce transaction errors, and achieve the highest levels of supply chain visibility.

RedTail is a certified Microsoft Solution Partner, SAGE Solution Provider and a 1SYNC Solution Partner.

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