



## AgGateway Case Studies

# Co-Alliance Slashes Shrink “To Near Zero” and Gives Accurate, Efficient Service

### Background

- Co-Alliance, LLP delivers agronomy, seed, animal health and nutrition, grain marketing services, power fuel and home heat energy products to local farms, businesses and families through branch outlets in Indiana, Ohio and Michigan.
- Co-Alliance is a 100% farmer-owned partnership of five agricultural co-ops: Midland Co-op Inc., Impact Cooperative Inc., Frontier Co-op, Inc., and LaPorte County Farm Bureau Cooperative Association, Inc. The original county co-ops were organized in the late 1920s and combined over time to create the five entities that make up the Co-Alliance partnership today.



### Challenges

- Very large seed business requiring many SKUs to cover a complex variety of seed size and trait combinations. Co-Alliance needed to reduce input errors in seed transactions, with the goals of better tracking inventory and reducing shrink.

### Solution

Co-Alliance joined AgGateway’s Seed Connectivity II Project in 2011, which provided the company and others in the industry with the basic standards that enable electronic exchange of information. The company was “very fortunate” to have SSI Agvance as its business process management software provider (ERP solution). SSI was committed and heavily invested in working on eConnectivity solutions, said Jeff Griffeth, Marketing Director/Manager of Innovative Business Solutions. “With their assistance and Co-Alliance’s willingness to implement a solution, success with connectivity came quickly and relatively painlessly,” Griffeth said.

Co-Alliance began using the standard identifiers and other business data found in AgGateway’s Ag Industry Identification System (AGIIS). The AGIIS service houses common data elements that serve as the fundamental building blocks for electronic interactions between agricultural companies. These include unique identifiers for agricultural products, business locations

### Key Points

- **Greatly reduced shrink** “...to near zero.”
- **Improved accuracy** – total confidence in seed sales and inventory.
- **Improved customer service:** Customers receive the correct seed, and the billing is correct, resulting in satisfied customers.
- **Efficiency:** the entire process from ordering to shipment to billing is quicker and much more efficient.
- **Point-of-Sale reporting** is more accurate.
- **Better inventory control:** Co-Alliance knows what is in inventory and its exact location.
- **Better relationships** with the manufacturers because of improved communication and fewer mix-ups.
- **Clear communication:** With all products and customers in AGIIS, there are no questions about what product or grower is being discussed.

“Using electronic connectivity really helps us be more efficient with inventory, tracking and billing. It makes serving our customers easy and results in very satisfied customers.”

- Jeff Griffeth, Marketing Director/Manager of Innovative Business Solutions

and other information. Because trading partners are able to access and use the same identifiers, the pieces of information fit together, and electronic communication is possible.

Co-Alliance was also able to utilize some hand-held barcode scanning devices that had been previously used for one of its seed suppliers. “Those hand-held scanners were probably one of our biggest challenges, just because their wireless connectivity was a bit antiquated,” said Ryan Hulet, Regional Sales Manager. “Once we worked through the local connectivity issues, the system saved us considerable time and reduced our errors and shrink to near zero.”

“It really makes everyone’s job that is involved in seed so much easier. Our inventory is more accurate and our customers are happier,” said Julie Malson, Seed & Chem Analyst. “A huge benefit for me is that the end-of-year reporting with the manufacturers has become almost the push of a button.”

Amy Kinsler, Seed & Crop Protection Manager, noted, “When you don’t track efficiently, it’s the equivalent of a significant hit to sales and profitability. It can take additional sales of 7 times or more just to make up for the number of units lost. On the flip side, going electronic gives your profitability a shot in the arm almost immediately – for us it has been very positive.”

Once Co-Alliance had electronic connectivity working well with seed, its managers began asking for the same functionality in other areas of the business.

## Results

A major benefit to Co-Alliance has been the accurate view of its seed business throughout the season, from beginning to end:

- The company’s customers receive the correct seed and pricing.
- By electronically loading seed products and pricing from manufacturers into the Co-Alliance system, salespeople have confidence in the seed products and pricing.
- Grower orders from SSI are communicated electronically to the Co-Alliance manufacturers, which secures the company’s seed inventory. It also provides accuracy and efficiency, since grower orders don’t need to be manually entered into the manufacturers’ systems.
- Receiving electronic ship notices from the manufacturer ensures accurate inventory.
- Co-Alliance can easily create an electronic delivery ticket when it scans the seed products with either an iPhone or iPad. That delivery ticket can then be ultimately converted to an invoice.

## Future Plans

Future plans include implementing electronic pricing for the Co-Alliance crop protection products within the SSI Agvance Sky Warehouse. Using the Warehouse app, Co-Alliance can perform a variety of inventory functions in the warehouse using a phone or tablet, without having to write down and manually key-in information. This gives real-time access to data so that it is always accurate and up-to-date.

## About AgGateway

AgGateway is a non-profit organization with the mission to promote and enable the industry’s transition to digital agriculture, and to expand the use of information, to maximize efficiency and productivity.

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