



AgGateway Case Studies

Key Cooperative Slashes Entry Time, Boosts Accuracy, Reduces Shrink

Background

- Key Cooperative is based in Roland, Iowa and has 15 locations across central Iowa. Key supplies seed, agronomy products, precision agriculture services, energy, feed and lumber products.



Challenges

- The coop wanted to address data inaccuracies, decrease shrink, and increase its workload efficiency.
- All of Key's seed orders were being double-entered before electronic ordering. This created huge time inefficiencies.
- Seed products were being entered into the purchase order system as the wrong product, treatment or seed size. "Seed prices were a victim of 'fat-fingered' data," said Key Agronomy Administrator Ann Vande Lune.

Solution

Key decided it needed to pursue eConnectivity, and joined the AgGateway Seed Connectivity Project in 2012. This gave the coop a seat at the table to help set the standards that it would be utilizing electronically. Key worked with its accounting software provider and with a third-party software company to help the coop with the connections between the suppliers, and to create the order-to-booking process.

"Our accounting software provider helped us get the inventory into our system with the electronic ship notice and invoice process. We also worked with them to get the sales data out of our system and upload it into the manufacturers' system," said Vande Lune. "The other provider helped us pull in exactly what we have on order with our suppliers and match it up with what we have on order, to provide us a multi-supplier long-short for our sellers."

Key implemented its first eConnectivity initiatives in 2012, including establishing electronic connections for electronic ship notices, price sheets and product movement reports (PMR). In 2015, Key also implemented electronic seed ordering.

Key Points

- **Efficiency** – By implementing AgGateway standards and going electronic, Key cut entry time by 2/3rds in its business processes.
- **Accurate Detail** - Key can process thousands of units of seed by grower orders in a matter of seconds to manufacturers' systems; before it would have taken hours to key in by grower.
- **Inventory Management** – Key doubled its inventory control and reduced shrink. It now has confidence in inventory data.
- **Financial statements** are more accurate. The price sheet is synced directly into Key's system efficiently and accurately. Sales people and management have confidence that they have the right price.
- **Customer Service:** Information is correct the first time and seed shipments are brought in accurately.
- **Unit of Measure:** Going electronic also allowed Key to internally solve a UOM issue with orders from its largest chemical supplier.

“We’ve cut entry time by two-thirds -- push a button and it’s there accurately. Inventory control has doubled. The price sheet has eliminated mistakes. Sales people and management have confidence that they have the right price. The warehouse guys know what’s out there and that they will be able to find it. ... what used to take days to key in is now done within minutes.”

- Ann Vande Lune, Agronomy Administrator

By using standard identifiers within **AgGateway’s Ag Industry Identification System (AGIIS)**, Key was able to create a cross-reference between its products and the manufacturers it works with, which helped to bring its seed shipments in accurately.

“We went electronic with all processes, with all locations, at the same time,” said Vande Lune. “We knew there was a lot of value in eConnectivity so we wanted to make it an across-the-board change, so we didn’t have different processes for different locations. With the smoothness of eConnectivity none of our locations missed a beat and we have been able to reap the benefits of the faster information from the word ‘go’.”

Results

As the agronomy administrator, Vande Lune is now able to process all customer orders through the order-to-booking process. Key can process thousands of units of seed by actual grower orders in a matter of seconds to the manufacturers’ systems, where before it would have taken hours to key them in by grower.

“By implementing AgGateway standards and going electronic, we’ve cut entry time by two-thirds in our business processes – push a button and it’s there accurately,” she says. “Before electronic seed reporting we would spend a week entering data from our system into the manufacturer’s portal. Now we do it in a matter of minutes.”

Moreover, inventory control has doubled, and shrink has dropped, Vande Lune said. “We know the right product is on inventory in the warehouse. The price sheet has eliminated mistakes. Sales people and management have confidence that they have the right price. We no longer spend days trying to get all the crop zones, seed sizes, treatment and package types. The manufacturer’s price sheet is synced directly into our system efficiently and accurately,” she said.

The electronic connections also allow Key to give better ordering information to its suppliers. Whereas before the coop organized its orders under only a few customers because of the time commitment to enter them, it now can give its suppliers true visibility to the orders in a matter of seconds.

Going electronic also helped eliminate a pesky unit-of-measure (UOM) problem with Key’s largest chemical supplier. “Before we would struggle with correct conversions of what we sell the product in versus what they sell it in (ounces versus pounds). With the help of a third-party software company we were able to implement a behind-the-scenes conversion process so that every one of our chemical items now comes into our system in the correct UOM. Before, we were constantly adjusting the inventory to account for inaccurate or missed conversions.”

Future Plans

“We would love to implement eConnectivity with all of our chemical, fertilizer and seed manufacturers,” Vande Lune said. “Currently not all of them offer this functionality, but as soon as they do we are waiting to accept it. We have seen and felt the value of eConnectivity, so anything that we can do electronically with our suppliers, we are willing to have that conversation.”

About AgGateway

AgGateway is a non-profit organization dedicated to the expanded use of information to maximize efficiency and productivity, promoting and enabling the industry’s transition to digital agriculture.

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