

AgGateway Case Studies GROWMARK Streamlines its Supply Chain

Background

GROWMARK is a regional agricultural cooperative based in Bloomington, Ill. It is owned by local member cooperatives and provides those cooperatives and other customers with fuels, lubricants, plant nutrients, crop protection products, seed, structures, equipment and grain marketing assistance. In addition, GROWMARK provides a host of services, from warehousing and logistics to training and marketing support. The GROWMARK System serves customers in more than 40 states and Ontario, Canada.



GROWMARK began automating business processes more than 10 years ago, and connectivity is now standard operating procedure at the company. New business partners are expected to be able to connect electronically when they begin working with GROWMARK.

Challenges

GROWMARK was looking to improve connectivity within the supply chain to be more reliable, accurate, timely and scalable. To accomplish this, the company needed to set up messaging standards with trading partners, so that systems could interact and understand each other.

Solution

To conquer the challenge of streamlining GROWMARK's diverse supply chain, the company joined AgGateway to participate in collaborative projects with other agricultural companies seeking to automate their processes. GROWMARK participated in several crop protection, crop nutrient and seed connectivity projects that established standards for automated business processes. These standards included message formats, entity/product identifiers, and message transmission protocols. The projects also offered a connection schedule that each trading partner was committed to adhere to.

Specifically:

- **AEC Project:** Automated the order-to-cash process for crop protection products, as well as the reporting of sales and inventory information. The Nexus (ebMS) application was introduced to connect with the trading partners.

Key Points

- **Accuracy:** Eliminated double-entry, which decreased data errors.
- **Customer Service and Timeliness:** Order transaction is immediate, allowing customers to pick up product on demand.
- **Reliability:** Confirmation that data is being successfully exchanged between trading partners. GROWMARK's retail systems can connect directly to the suppliers' systems.
- **Scalability:** The business can grow and change while still meeting customer expectations, without adding extra resources. Adding new connections is efficient since the same messaging standards are used.
- **Standard Operating Procedure:** About 65% of the company's crop protection orders, and 60% of the crop nutrient orders, are now sent using AgGateway standards and electronic connectivity.

“We’ve come to rely on electronic connectivity to grow our business in size and complexity while adding limited resources and continuing to meet our customers’ expectation for responsiveness.”

- Jeff Frank, Agronomy
Business Operations Manager

- **Crop Nutrient Connectivity Project:** Automated the order-to-cash process for crop nutrient products, and automated the shipment status.
- **Seed Connectivity Project:** Automated seed bookings, invoicing, shipments and GPOS (Grower Point of Sale). Web service messaging standards were introduced which allowed GROWMARK’s retail systems to direct-connect to the suppliers.

Results

By participating in the AgGateway-managed connectivity projects, GROWMARK achieved its goal of streamlining the supply chain and set the foundation for additional connectivity moving forward. Today, 65% of the company’s crop protection orders and 60% of the crop nutrient orders are sent using AgGateway standards and electronic connectivity.

“Those electronic orders translate to time we don’t have to take placing orders manually with the vendor or through their own portal. It often translates to more efficient invoice processing as well,” said Jeff Frank, Agronomy Business Operations Manager.

Overall benefits include:

- **Accuracy:** Eliminated dual-entry of orders (keying into GROWMARK system and supplier system), which decreased data errors.
- **Customer Service and Timeliness:** Order transactions are immediate, allowing customers to pick up product on demand. “In a tight season, customer service is important. You want the customers to have the order in the supplier’s system when they show up,” said Frank.
- **Reliability:** Receiver systems acknowledge that messages reach their destinations. Also GROWMARK’s retail systems are able to connect directly to the suppliers’ systems.
- **Scalability:** Adding new connections is efficient since the same messaging standards were being used.

“All of our major suppliers are connected,” said Frank. In addition, GROWMARK connects to all of its retailers via its Agvance (SSI) software platform, using AgGateway standards. “Working with Agvance facilitated electronic delivery notifications (EDNs or bill of lading) and invoices,” he said.

Future Plans

With a strong foundation in electronic connectivity, GROWMARK continually looks for more ways to improve the supply chain. The company encourages more of its trading partners to implement electronic standards to enable more efficient business transactions. The company is also in position to evolve its systems as consolidation in the industry creates new challenges and changes in the business.

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.

www.AgGateway.org