



intelligentXchange®

Case Study

Adidas

LOCATION:

Spartanburg, SC

FOUNDED:

1949

INDUSTRY:

Manufacturing

PRODUCT TYPE:

Athletic Apparel
& Accessories

EDI SOFTWARE:

Harbinger TLE

BACK OFFICE SYSTEMS:

SAP AFS



Situation

Adidas Group is a globally recognized leading manufacturer of athletic apparel, producing more than 778 million products annually. In North America alone, the company's annual sales have reached well into the billions of dollars and are continuing to grow.

Despite Adidas' sustained success, a lack of visibility into EDI transactions with trading partners was proving to be a costly problem for team members at the company's Spartanburg distribution center, resulting in frequent penalties from several of its top customers.

"Root cause analysis of chargebacks was a major ongoing issue for us, and those fines were eating up about 6 percent of revenue," said Travis Long, Senior Business Solution Manager, Adidas.

Dealing with these chargebacks also was time-consuming, as members of Adidas' EDI team spent countless hours addressing tickets and emails from members of the customer service, finance and compliance teams, and then researching and fixing data errors.

Solution

Adidas came to learn of IntelligentXchange (IX) during a supply chain conference in early 2016. Initially impressed with the product's intuitive functionality and its ease of deployment as a bolt-on EDI visibility solution, the company assigned a core user team to validate its features and benefits. That team soon recommended the product be rolled out to the entire company.

After integrating IX into its operations, Adidas almost immediately noticed a reduction in tickets and emails to the EDI team as members of other departments began using the new tool to self-serve, quickly finding and correcting EDI issues for customers on their own.

"We're skipping the whole step of waiting for the EDI team to come back to us to supply information on a transaction," said Danielle Finch, Compliance Coordinator, Adidas, who noted the compliance team frequently uses IX to research issues with missing Advanced Shipping Notices (ASN). "Now we can just pull it up ourselves in IX and do what we need to do. I love it. I've had my coworkers use it a couple times with me, and they love it too."

Utilizing IX, members of Adidas' customer service, compliance and accounting teams are able to download PDF versions of common EDI transactions and send them directly to customers in a process that often only takes minutes. More importantly, these documents are translated into plain English, negating the need to involve IT.

"I know enough EDI to be dangerous, but my favorite attribute of IX is that it speaks my language, eliminating that danger," said Hillary Charles, Claims Manager, Adidas. "For me, that was the biggest win. I don't like going to a customer feeling like I just barely know enough. I like to know what I'm talking about, and IX makes EDI data easy for anyone to understand."



Driving Business Impact

Adidas has realized a variety of benefits since implementing IX, utilizing the platform across multiple departments to reduce time spent researching data errors and decrease the frequency of chargebacks from customers.

“One of our accounts has a very short turnaround time, and if we don’t get the information back to them within that window of time, they won’t even talk to us anymore about that particular issue,” said Mary Lee, Customer Service Leader, Adidas. “But with IX, our credit team was able to get that information quickly, and that equated to thousands of dollars saved. Otherwise, we would not have been able to get that information to them in time to have that conversation with them.”

IX gives Adidas an advantage when contesting invalid chargebacks as well, putting users in a position of knowledge that has led to increased and faster repayments.

“I fight with facts, as I always tell my team, and I want the facts all spelled out,” Hillary’s Charles said. “I’m not one to go into battle over a deduction without having the facts, and IX sufficiently equips us to fight and win battles over chargebacks.”



“We’re saving money with IX, but it’s not about the money. It’s about making the customer happy. When they feel like they’re getting a timely response from the Adidas Group, that’s worth a lot of money to them. It’s solidifying our business and our customer service relationship with that customer.”

—Mary Lee, Customer Service Leader, Adidas

Relationships

In addition to reducing chargebacks, IX has allowed Adidas to more quickly resolve EDI issues for its customers and become more proactive at preventing them from happening.

“Historically, if we needed to see an 870 or find out if it was rejected, we were having to log an EDI ticket each and every time,” said Tammy Ward, Customer Service Team Lead, Adidas. “It was a daily occurrence with some of our customers. Now, as we see the cancellations, we’re going in and making sure the 870 is there so that we don’t ever get that email from an aggravated customer. It helps us and them because it eliminates wasted time and energy on both our parts.”

According to Tammy Ward, several customers have been “ecstatic” over Adidas newfound ability to quickly find and send EDI documents in an easy-to-read format. Ultimately, IX is helping Adidas to improve communications with its key trading partners.