



Enterprise Shipping Solutions

Customer Case Study

Digi International wanted to further its reputation as a company with stellar customer service and increase the operational efficiency within its shipping department to better accommodate unique requirements of its distributor customer base and reduce costs.

With an increased focus on process improvement, the company invested in Kewill's Flagship solution for its open architecture, scalability, and customization. The integrated solution together with its Baan ERP system, enables Digi International to efficiently process hundreds of shipments daily with a variety of customized business rules using a number of carriers and specified modes of shipment in one consolidated system.



Company Profile

Digi International (NASDAQ DGII) offers an extensive range of networking device products including everything from device servers to embeddable networking to turnkey technology solutions. With more than 20 years in the business and a diverse customer base including distributors, OEMs, VARs and integrators, Digi sells and markets its products through 180 distributors in more than 65 countries. The company is known for its reliable, innovative, quality products and strong technical support.

In order to better support the complex and highly variable shipping requirements of its distributors, Digi sought an enterprise level shipping management software that would integrate to its Baan ERP system, incorporate all domestic and international carriers, and allow its Shipping Operations to customize business rules for each customer within the solution. Digi established a formal diligence process in late 2004 to engage an enterprise software provider to fulfill these goals for both its domestic and international operations. Kewill, the 33 year leading veteran provider of Supply Chain Execution solutions, could and subsequently did meet Digi's defined objectives and more.

Pinpointing the Problem

In 2002, Digi adopted an entry level parcel shipping solution - but limitations of the system prohibited the cost saving and time efficiency originally sought by the company:

Particular problems of their existing system were inability to integrate with Digi's ERP system which required downloading files from the ERP into the shipping solution five times daily. Inability to generate automated emails of shipment tracking information to Digi customers. Customers and Digi sales reps could not access shipment tracking information via the Web, and any time a carrier changed its business, Digi was required to purchase individual upgrades for each carrier.

Searching for a Solution

Digi conducted a thorough due diligence process as the company looked for a solution with the flexibility, integration, customization and carrier adoption capabilities essential to replace the current system and accelerate and maximize its shipping operations to better serve customers. After engaging in a comprehensive request for proposal ("RFP") process and evaluating multiple different solution offerings, Digi selected Kewill's Flagship solution for its best-in-class functionality and ease-of-use.

Designed with an open architecture, Kewill Flagship could scale to meet Digi's long-term interest to consolidate all shipping data into one system throughout the company's global operations. Kewill Flagship could easily customize business rules to accommodate Digi's already established best practice of guiding shipping employees to a

customers' preferred carrier or shipment mode based on number of shipments, weight, location, etc. Furthermore, Kewill Flagship offered a variety of integration templates and interfaces to all the major ERP and WMS applications, including Digi's Baan 4C ERP system.

"We were thrilled to discover a shipping system that allowed us to toggle between all of the carriers we use domestically and internationally and not be faced with a new bill when carriers bought out another company and updated their information," said Wayne Schmeichel, Senior Operations Business Analyst. "The added perks that further sold us on Kewill's Flagship was the web-based solution's ability to replace our current system, interface with our existing ERP system and be up and running in 100 days."

Reaping the Benefits

Less than a year ago, the company's shipping solution limited them to a single shipping methodology and required them to utilize multiple systems for other services. It also required them to manually fill out a bill of lading and required shipping personnel to re-enter tracking numbers from the shipping system to the company's ERP system. Today, leveraging Kewill Flagship, Digi's shipping practices are transforming into a highly efficient operation.

Digi International's domestic shipments all run through the Kewill Flagship solution with built in business rules to accommodate different distributor requirements. Interfacing with Digi's Baan ERP system, no data re-entry is necessary and because the system is web-based, administrators can access records from any desktop to check tracking numbers and status of any shipment to report back to customers. The shipping department receives dramatically fewer call requests to look up tracking numbers and no longer faces what was previously standard end-of-day shipping stress of counting up the number of boxes for the day, weighing pallets and then determining the best way to ship. Using Kewill, Digi shipments can be prepared throughout the day working off of customized business rules within the system that makes shipment recommendations for each box.

Furthermore, as new carriers come in, Flagship supports them. When DHL bought Airborne, Digi did not have to reconfigure anything as they received an automatic update from Kewill with a version release that included the combined carriers. Currently in use at the Minnetonka, Minnesota facility with plans to go live at the Davis, California facility as well, Flagship is used to process a high volume of shipments. The company will further expand its use of Flagship over the coming months by incorporating all of its international shipments as well.

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