



Siren Furniture

Corporate Profile

A small, dynamic furniture wholesaler

Siren Furniture is a specialised furniture wholesaler. Employing just 8 people, the company is small but highly successful and has been in business for about 10 years.

Based in Nottingham, England, the company supplies a number of furniture retailers, with its largest customer being John Lewis, probably the UK market leader in terms of retail sales of quality furniture.

Business Challenge

Finding a way to make the supply chain more efficient

A key to Siren's success has been the quality of its designs. John Lewis, for example, has sold thousands of sofas based on a design that is actually five years old but still immensely popular. Customers walk into a John Lewis store, choose and pay for a product, and expect delivery within a defined time period (John Lewis' web site, for example, promises that most furniture can be delivered within 7 days). The clock is then ticking.

From an operational perspective, this is where Siren Furniture's challenge begins since everything depends on the tight management of a smooth, friction-free supply chain. The company designs its upholstered sofas, chairs and stools in the UK and then outsources their manufacture to third-party factories in countries such as Poland and Romania. Liaising with these factories and organising deliveries are two very important tasks, especially since Siren Furniture itself does not maintain any stocks.

The supply chain needs continual attention, not least because the price of fabrics and leather can fluctuate wildly. Meanwhile, the recent recession has meant that none of the mills and factories along the supply chain has been keen on high stock levels. There are also unforeseen developments. In a recent incident, for example, production was threatened when 30 leather tanneries in one European country were temporarily shut down pending an investigation into possible tax fraud. Against this challenging background, Siren had to find a way to manage its supply chain more efficiently.

In particular, at the start of the process, Incoming orders from John Lewis needed to be managed and monitored as quickly as possible. A manual system was deemed no longer good enough. When the company depended on manually inputting orders, this was typically taking up to an hour each day—which was becoming untenable in a small, busy company.

The reality is that there can be as many as 20 to 30 orders arriving each day, and each order can vary enormously in terms of both product mix and quantity. An order might be just a footstool for one customer or it might be for 200 sofas to go into stock. So developing an efficient and automated way to process these orders was a priority.

The Solution

Saving at least an hour each day

To solve its challenges, Siren Furniture has adopted GXS Desktop EDI which connects Siren to the GXS Trading Grid™. This addresses the requirement to be able to receive orders electronically from major customers, process them quickly and send invoices in an efficient and timely manner. GXS Desktop EDI is a PC-based software solution that translates documents to and from John Lewis' EDI format via easy-to-use desktop forms. Via GXS Trading Grid, the software also make it easy not just to acknowledge the original purchase order but to turn it into an invoice in due course.

Carl Markham, who is Siren's logistics coordinator, says that the most tangible benefit of the GXS solution is the time it saves the company: "We no longer have to spend that hour each day, printing off orders and sifting through them so we can organise production."

As Carl Markham explains, "Receiving the orders used to be a real pressure point in the business, since it triggers a complex series of next steps. We've now managed to make that order process much slicker, and the benefits of that ripple right through the business and down to our suppliers."

In this way, GXS is helping Siren to become an Active Business that remains agile in relation to its principal customer, able to operate a customer-facing supply chain with a continuous flow of sales, shipment and payment information between Siren and their customers.

Results

The route to competitive advantage – and improved cash flow

The most powerful evidence of the success of Siren Furniture's supply chain is that it gives the company a measurable competitive advantage.

Christmas orders represent one of the seasonal peaks for the upholstered furniture business. Siren's efficient supply chain means that the company can continue accepting orders until early November and still guarantee delivery to John Lewis stores in time for Christmas. In contrast, some competitors with less automated supply chains have to stop taking their pre-Christmas orders several weeks earlier earlier.

A second major area of benefit has been to cash flow, always an important consideration for a small company. John Lewis is committed to settling approved invoices within 7 days of receiving them. From Siren's point of view, it makes a significant difference to speed of payment to be able to transmit invoices to John Lewis electronically, as opposed to the old method of posting them. This has a knock-on benefit since the company is able to share the benefits of this improved cash flow with its manufacturing partners. This helps Siren maintain the loyalty and commitment of its own suppliers.



About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organisations worldwide, including more than 75 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimise product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.co.uk.

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