

# CMD and CMAFH: A Case Study in How Buyers and Suppliers Can Strengthen Their Relationship and Share the Value of an Automated PO Management System



Client Success Story |  
Sourceday

## Background

Founded in 1980, CMD is a technology-driven innovator of machinery for manufacturing plastic bags, pouches and specialty converted products for applications from consumer goods to medical and food. CMD is also a growing supplier of Compressed Natural Gas equipment technology.

CMD regularly uses CMA/Flodyne/Hydradyne (CMA) components in their equipment. CMA, is a full-service distributor offering complete machine automation and control solutions for hydraulic, pneumatic and electro-mechanical applications. Since 1974, CMAFH has been supplying thousands of components to companies like CMD.

**“Having everything in one location provides immeasurable value, not the least of which is making it so much easier to see what’s going on with POs at a glance.”**

Kathy Hamilton,  
Customer Service Representatives, CMA

## Company Profile

CMD - Manufacturing Buyer and CMA - Manufacturing Supplier

## Solution at a Glance

### Challenge:

CMD wanted to reduce the extensive manual effort to manage POs throughout their lifecycle, believing an automated solution could benefit both them and their suppliers.

### Solution:

SourceDay gives CMD and CMA a single source for all PO-related details and documents, automating many of the PO management tasks to improve efficiency, accuracy and organization.

### Benefit:

SourceDay has reduced effort and time buyers and suppliers have to spend on PO management while providing a common portal for communications.

## Challenge: Simplifying the PO Management Process for Both Buyer and Supplier

Buyers and suppliers face a similar challenge: keeping track of purchase orders, acknowledgments, pricing, and delivery date changes, along with numerous other alterations inherent in the buyer/supplier relationship. Emails, faxes, phone calls and spreadsheets have been mainstays even though they often create more work and frustration for both parties. For CMD, something had to give.

“We were manually tracking acknowledgments from suppliers and keying each one into our ERP system,” says Jeff Kraus, buyer at CMD. “We use more than 400 different suppliers, have over 5,000 purchase orders every year that contain 40-50 lines of items each. We had to dedicate a full-time worker just to keep up.”

The emails created a seemingly endless back-and-forth dance that was disorganized and ripe for errors. “Sometimes, I would receive a PO with a different price or an odd date and I’d have to dig through emails to see if I missed something,” explains Kathy Hamilton, the customer service representative at CMA working directly with Kraus at CMD. “Other times, POs would come over requesting less than standard lead times, causing consistent expedite requests. Now with using Source Day, both sides are more conscious of the lead times.

Kraus realized the only real solution to get on the same page with his suppliers and ensure consistency, organization and a single source of truth was to automate the entire PO process. In order for the system to work, however, he would have to convince his suppliers to collaborate on the same solution.

## Solution: Automate the PO Process and Establish a Single Source of Truth Using SourceDay

Kraus chose SourceDay software to automate the PO process and extended its functionality to 75 of its top suppliers, CMA being one of the first adopters. Kraus explained to his suppliers the value in speeding up the PO process through automation. The SourceDay platform would enable both buyers and suppliers to communicate in one place, keeping all PO-related documents, dates, pricing, changes and communications in a single location on a common portal. Most of his suppliers didn’t need much convincing, as they were all too happy to improve the labor-intensive process.

SourceDay reached out to all of CMD suppliers selected by Kraus, including CMA, to set up their accounts and train them on the software. “When I first opened the SourceDay portal, I was excited,” explains Hamilton. “It was very easy and user-friendly, and I instantly recognized the benefits of having a common

system. The tutorial was great and our SourceDay rep was always available to answer questions. Within two weeks, I was comfortable using the new system and now wish more of my buyers were on it.”

Hamilton says the radar and late tabs are currently the most value to her, saving her as much as an hour per day from looking over open order reports and communicating with buyers. She simply views her radar and sees when items are nearing their due dates, instead of realizing it after they are already late. Hamilton can dig into the details of the flagged order and make adjustments that automatically notify Kraus. “Now, I can see why things are showing up late and check on things before my scorecard is docked,” says Hamilton. “It keeps us more organized and ensures that Jeff and I are always on the same page.”

For Kraus, the value is more concrete. Because of the automation SourceDay brings to the PO process, CMD has been able to reallocate the full-time resource to another position. “SourceDay makes suppliers responsible for their own orders, so I don’t have to constantly ask for updates to make sure they received the order, and so on,” says Kraus. “When you send the PO in SourceDay, the clock starts ticking until they acknowledge the order, and you can hold them accountable.”

Kraus looks at his SourceDay dashboard to quickly see key metrics on every supplier, such as on-time delivery, responsiveness to acknowledgments and expedited requests and scorecards. He takes those scorecards to supplier meetings to motivate them to continually improve. Hamilton is proud to report her scorecard has improved to nearly 100 percent since using SourceDay.

SourceDay has also reduced the number of errors CMD and CMA experience in the PO process, from incorrect part numbers to pricing differences and due dates that affect on-time delivery and eventually, revenue. Automation, combined with a common portal, keeps both companies more organized, efficient and productive, while at the same time, gives them the opportunity to strengthen their relationship.

## Results:

Since converting to SourceDay, both buyer and supplier have:

- Significantly reduced the amount of manual work in the PO process
- Established a single place to log, archive and view all PO-related details
- Generated more accurate lead times for better planning
- Improved on-time acknowledgments, deliveries and responses

## About SourceDay:

Founded in 2013, SourceDay is the leading purchase order management application provider for manufacturing companies. Clients use SourceDay to effectively manage their supply chain purchasing and maximize revenue while reducing cost and risk. SourceDay is easy to adopt and clients quickly realize significant savings.