

Hasbro Improves Supply Chain Efficiency with Better Order Management

challenges

- develop new processes to support outsourced manufacturing
- leverage previous investments in core enterprise applications

solution

- automated task management for over 1,000 users
- real-time process visibility for employees and vendors

benefits

- 250% productivity increase with no additional resources
- 80% reduction in cycle time from 12 to 1-2 days total



Dave Adams, Hasbro

Hasbro, Inc. is a worldwide leader in children's and family entertainment products and services, including the design, manufacture, and marketing of games and toys with over \$3 billion in annual sales. The company's widely recognized brands include Playskool™, Tonka™, Milton Bradley™ and Parker Brothers.™

The Challenges of an International Supply Chain

Several years ago Hasbro decided to launch an enterprise-wide initiative to improve supply chain processes and cut costs. Improving the supply chain processes meant increasing process visibility, improving responsiveness with customers and suppliers, and leveraging their previous investments in core enterprise applications.

Hasbro's Vendor Order Management process requires interaction between Hasbro's North American offices, their counterpart in Hong Kong, and various customers and vendors. Before implementing Business Process Management (BPM) software, an order from a customer would come in, get processed through Hasbro's SAP system, and then go through to the Hong Kong office where inquiries were created. Request for Quotes (RFQs) were then sent to several of the 100 different vendors in the Far East. Once a quote was generated, it was sent back to Hasbro's Hong Kong office and then back to the customer. This whole process was run through faxes, e-mails and phone calls, and the cycle time was usually about 12 days.

Like many processes involving domestic and international teams, there were a variety of inefficiencies:

- **Time-Consuming Vendor Inquiries.** Hasbro outsources 75% of its incoming orders through approximately 100 key vendors in the Far East. This process was time consuming and dependent on multiple parties. Adding to the complexity, Hasbro employees in Hong Kong would have to manually check and review all of the responses from the vendors, which meant that tasks like flagging exceptions and delivery delays were slow and tedious.
- **Inefficient Communication Methods.** In order to submit requests and respond to vendors, employees used faxes, e-mails, and phone calls. These methods not only made it difficult to have a complete, real time picture of any given order/request, but they also made it time intensive to thoroughly document orders and responses.
- **Time-consuming Manual Processes.** Like any importer and exporter, Hasbro had to have the appropriate documentation for cargo, including bill-of-landing documents and associated exporter invoices, in order to be US Customs compliant. To gather this documentation, Hasbro manually pulled together information that was stored in several systems, resulting in long processing times.

“Hasbro’s investment in Teamworks helped it consolidate two supply organizations in Hong Kong and the company is now managing twice the volume of goods with the staff of just one of the original operations.”

— Hasbro

The Right Tool for the Job

Hasbro considered many different options to solve their supply chain inefficiencies, including SAP portal technology and other Web development tools. In the end, they decided BPM software would give them the flexibility and visibility that they needed.

With Teamworks they were able to streamline their processes in many ways. Key capabilities include:

- **Straight Through Processing.** Teamworks automated several steps in the vendor inquiry and response process so that 80% of the inquiries were able to flow straight through without any human interaction.
- **Improved and Unified Communication Methods.** Through a new Web interface, eConnect, Hasbro employees reduced their dependence on phone calls, e-mails and paper faxes. The shared Web portal helped standardize communication between employees and vendors and increased process visibility.
- **Automation of Manual Tasks.** Hasbro automated the reconciliation process required for US Customs documentation. Teamworks gathered the bill-of-landing information from freight forwarders and corresponding invoice data from Hasbro’s SAP system and automatically routed it to a Hasbro employee or a third-party service provider for US Customs entry.
- **Employees Coached Through Exceptions.** For exceptions, Teamworks sends an electronic process coach to the appropriate Hasbro employee. The Teamworks Coach gives the Hasbro employee critical information and walks them through each step necessary to resolve the problem.

- **Automatic E-Mail Notification.** If a request is time sensitive and the due date is approaching, Teamworks will send an e-mail to notify appropriate Hasbro employees that this request is a priority. Also, if a vendor is past due on a certain request, Teamworks will send the vendor an e-mail to notify them of the past due notice and walk them through completion of the process.

Across the Enterprise

Hasbro’s success motivated them to use Teamworks in other facets of their supply chain process. In addition to Vendor Order Management, Hasbro’s eConnect system now handles six more major supply chain processes – with a new process coming online every 4 months on average. This with a small Hong Kong based IT team. The additional processes currently on eConnect include Shipping Instructions and Marks, Container Booking, Logistics Notification, Consolidation, and Customs Management.

About Lombardi

Lombardi is a leader in business process management (BPM) software for companies, systems integrators and government agencies. We offer award-winning BPM technology, know-how and services to help our customers succeed with their process improvement initiatives.

Lombardi is behind some of the largest, most successful BPM implementations in the world. Our customers include Allianz Group, Aflac, Banco Espirito Santo, Barclays Global Investors, Dell, El Paso Energy, FETAC, Financial Services Authority, Ford Motor Company, Hasbro, ING Direct, Intel, Maritz Travel, National Bank of Canada, National Institute of Health, Safety-Kleen, T-Mobile, UCLH, Xbridge and numerous governmental agencies. For more information, visit www.lombardi.com.



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