



SPS Commerce & SIM Supply: A Network Success Story

Executive Summary

It was 2016 and SIM Supply's orders were on the rise as the mining industry and its new online sales channels began to flourish. This spike in business revealed an urgent need for automation, and based on the recommendation of one of its largest customers, SIM Supply chose SPS Commerce Fulfillment (EDI) which was then deployed. This solution ensured that orders from the company's e-commerce site, Amazon, Jet.com, Walmart, New Egg and BidPrice marketplaces, and its government contracts were processed efficiently and accurately. Today SIM Supply manages more than 360,000 EDI transactions annually on SPS Fulfillment with 99.9 percent accuracy. Reliable and hands-free operations support SIM Supply's growth as it continues to expand through its direct relationships with over 9,000 manufacturers and suppliers stocking over 700,000 items.



Industry: Industrial and MRO Distributor/Retailer

Headquarters: Hibbing, MN

Retail channels: E-Commerce, Marketplaces,
Government Contracts

SPS Product: Fulfillment

Network Member Since: 2016

Challenge: Replace manual processes, including fax, to manage growing order volumes from marketplaces and e-commerce.

Solution: Automated EDI order processing for hands-free fulfillment.

Results: Peak season and normal order volumes managed with no incremental staff.

Orders Everywhere, A Multi-Channel Sales Strategy

SIM Supply's legacy as a key retail partner to the mining industry started in northern Minnesota in 1983. In recent years the company has dramatically expanded its assortment, branching out to provide a more diverse assortment of products that go beyond mining.

While this multi-industry strategy has made SIM Supply more recession-proof, they have recently experienced exponential growth as the mining industry has rebounded and sales from online marketplaces and its e-commerce site are once again flourishing. As a result order processing was stretched and needed automation to continue to scale. When looking at partnering with an EDI provider, SIM asked one of their business partners, Grainger, whom they'd recommend. The answer was SPS Commerce Fulfillment. SIM quickly deployed the SPS solution to help manage its diverse and growing set of orders.



“The transition to SPS Commerce was very smooth,” said Joe Caldwell, Multichannel Marketplace Manager at SIM Supply. “Their team understood our data and the requirements of our trading partners. They were realistic about delivery timelines and met our deadlines. Since deploying, we’ve rarely needed their support, but when we have, issues are resolved quickly.

Drop-ship Orders

SIM Supply has thrived in the direct-to-consumer, or drop-ship, economy, which makes up approximately 60 percent of its business.

“Every retailer knows that drop-ship orders are hard and present new challenges,” continued Caldwell. “Our bulk orders are well-planned and scheduled with ease. Direct-to-consumer is the complete opposite. Orders fly into SIM Supply at any time and for any product with very short shipping windows. We rely on SPS Fulfillment to manage the orders efficiently, providing them to our suppliers in record time for shipping using our branded packaging or a private label option.”

We Needed Solutions, Not Internal Staff

The new digital retail economy requires automation to meet consumer expectations. SIM Supply embraced this evolution by advancing its trading partner relationships into a more reliable, automated process that its small IT team couldn’t natively support.

“Our partnership with SPS has allowed us to rethink how we do business with our customers. We don’t always need more IT or staff to draw closer to our customers and suppliers. Today our mentality is towards solutions that are delivered as a service, like SPS Fulfillment,” said Ron Smith, CEO/President of SIM Supply.

This new era at SIM Supply meant the end of fax orders. Instead, the solution equips all SIM Supply staff from its warehouses in Minnesota and Michigan, to its customer support to its merchants, providing visibility and access to all orders through a single system.

“I rarely use the SPS Fulfillment solution, simply because its reliable and does its job without my intervention. I trust it to do what it does in any season and at any volume,” commented Caldwell.

Now, during its peak seasons including the November and December holidays and springtime when new home construction and home and garden kicks off, their company can keep up with demand with no increased staffing.

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