



SPS Commerce & Schwabe North America: A Network Success Story



Executive Summary

Schwabe North America's sales organization was growing and bringing on new customers every month. Their supply chain, especially their EDI operations, needed to keep pace. They knew their EDI program was broken and in need of a replacement that would automate their orders, shipments and invoices with little to no downtime.

In 2016, Schwabe made the decision to deploy SPS Commerce Fulfillment for SAP as their new EDI solution to better manage their growth. "We knew what didn't work for our company: poor customer service, no visibility to our data, and extensive timelines to bring on new customers. SPS Commerce was the fresh start we needed. Today, we are able to bring on new customers quicker and trust the SPS experts and network to manage our EDI relationships flawlessly," said David Anderson, IT Delivery Manager at Schwabe.

Industry: Consumer Products/Herbal Medicine
Headquarters: Green Bay, WI
Flagship Product: Nature's Way
Retail Channels: Retail/Grocery Chains, E-Commerce
SPS Product: Fulfillment
ERP: SAP
Network Member Since: 2016

Challenge: Reboot a critical EDI program with a provider known for uptime and customer support.

Solution: Deliver order visibility and system reliability, supporting 65+ retail customers for Schwabe.

Results: Onboard new customers in days and support 175K annual transactions at 99 percent accuracy.

Swapping Out EDI Providers

Schwabe North America, also known as Nature's Way, offers an extensive product line of herbal medicines sold by national retailers and grocery chains including Amazon, Costco, Giant Eagle, Kroger, Loblaws, and Wegmans. With new retailers and grocers choosing to carry the company's vitamins and enzymatic therapies, the company sought to automate the order and fulfillment process quickly with each retailer.

"EDI is a foundational capability of Schwabe North America," explained Anderson. "Our sales operations team relies on it to manage our customer orders. We'd had EDI for a while, but had no visibility to our data if there was an issue. We couldn't proactively problem solve to address interruptions and errors in our deliveries and order fulfillment. We were frustrated and in need of a change."

Schwabe's existing provider did not allow access to their data as it was on their proprietary platform. Therefore, the supplier was completely reliant on them to manage their EDI operations with no direct visibility, just blind trust.



When Schwabe requested a service-level agreement (SLA) to govern actions related to down time and response times, they uncovered that an SLA wasn't possible unless the provider's executives approved it. This wasn't welcome news as during this time, the provider was experiencing several outages a month, usually on Friday afternoons, that lasted many hours, with little to no communication to Schwabe about the outage or resolution.

Frustrated and concerned about the solution's ability to manage Schwabe's growth, the company decided it was time for a new EDI provider that delivered excellent customer service, visibility to their data, and had EDI experience with their retailers. In 2016, these criteria brought Schwabe to SPS Commerce and its EDI solution for SAP.

A Fresh Start

Today, the supplier uses SPS Commerce Fulfillment for SAP with more than 65 retailers, exchanging more than 175,000 transactions annually with a 98.8 percent success rate. "SPS Commerce allowed us to reboot our EDI program using a standardized format with end-to-end visibility to our data," said Anderson. "Our implementation team was excellent and had SPS Fulfillment integrated with our SAP system using our preferred method, XML."

At Schwabe, the company's Sales Operations team who oversee orders, their finance department for invoicing, and their warehouse staff for shipping notices use the SPS solution to automate their operations to support their retailers. Anderson stated, "SPS provided us the uptime and reliability we needed today and in the future. They have earned our trust."

Customers Onboarded in Days

Its former EDI provider was hindering Schwabe's growth with slow onboarding of new retail customers. "When we sign with a new retailer, we want to be connected with their EDI system as soon as possible. SPS has the experience of working with our customers for more than a decade, knowing the retailer's requirements and contacts. New customers are now ready in a few days, not months."

Schwabe continues to grow its customer base, most recently adding several Canadian retailers, increasing their EDI volume by 40 percent. "We haven't encountered any EDI requirements that SPS hasn't been able to handle. They know our customers, most of whom are already in the SPS network, which is rare and much needed to support our growth. Most EDI departments are slow or have a backlog of vendors, and the SPS team helps to speed up our integration and complete the connection in record time," commented Anderson.

The Importance of Customer Service

From their previous experience with poor customer service with its previous provider, Schwabe places high importance on support. Anderson stated, "At SPS Commerce, we have a direct line to customer support, including a named customer success manager and account representative that know our business and our solution. As we grow, its company's like SPS that go the extra mile that will be with us long-term."

This is Just the Beginning

SPS Commerce offers a suite of supply chain solutions, including analytics, assortment, and sourcing products. "SPS is not an EDI company, they are a data company. We want to adopt their other capabilities in the future based on our success with SPS Fulfillment," concluded Anderson.

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