

**SOLUTION SNAPSHOT:**

- **Industry:** Manufacturer and marketer of heavy-duty, portable electric power tools and accessories for professional users worldwide
- **Challenge:** Reduce cost of EDI solution while servicing a growing number of trading partners and transactions
- **Solution:**
  - GXS TrustedLink® System i
  - Hosted AS2 solution

**BENEFITS:**

- Increased transaction volume to more than 40,000 documents per week
- Reduced VAN costs by 60 percent
- Increased order accuracy to nearly 100 percent
- Consolidated EDI support staff from three people to just one
- Decreased average cost per order by 86 percent
- Gained a virtually problem-free EDI environment

**“It’s amazing the cost savings your company has brought us in the past five years.”**

—JOHN STREFF  
EDI ADMINISTRATOR  
MILWAUKEE ELECTRIC TOOL

# Milwaukee Electric Tool

## The Situation

Since its founding in 1924, Milwaukee Electric Tool Corporation has focused on a single vision: to produce the best heavy-duty electric power tools and accessories available to professional and home users. Today, the company has more than 2,000 employees and markets its products worldwide as part of the Atlas Copco Group.

When John Streff joined Milwaukee Electric Tool, he inherited an EDI solution that had been outsourced at very high costs. From his previous experience, he knew that an in-house solution from GXS would address all their EDI needs at considerably less cost.

## The Business Challenge

As with many EDI conversions, the emphasis at Milwaukee was on reducing costs while improving accuracy and increasing trading partner adoption. Before EDI, an average order took at least thirty minutes to enter manually and the cost per order was extremely high, as were error rates. In addition, the company’s cost of outsourcing was higher than the benefits derived. Streff’s challenge was to bring the EDI processing back in-house and find a more cost-effective value-added network (VAN) solution.

## A Complete Solution

Within three months, Streff pulled EDI processing back in-house utilizing the GXS TrustedLink® solution, an award-winning transformation software solution that provides any-to-any translation capabilities between businesses and their trading partners.

Today, about 60 percent of all Milwaukee Electric Tool’s orders are processed via EDI. TrustedLink seamlessly passes the EDI orders to the company’s JD Edwards business system—with no extra work by anyone. With the GXS EDI solution, the cost per order has been reduced by 86 percent. “Within minutes, our orders are in the manufacturing system to be processed and shipped,” said Streff. He stated that it’s easy to add new trading partners, too, because there is one major map for all transactions.

The TrustedLink software was easy enough to bring up and use on its own, without the need for outside consultants. The GXS solution is so well regarded within Milwaukee that the company has installed it within its sister company in Canada. “I can’t speak highly enough about the [GXS] products and services. We seldom have any problems, and when we do, customer service resolves them within five minutes.”

The next cost-saving move was to switch to a more cost-effective VAN. “Before changing VANs, we went back to our existing provider and asked them to modify their pricing to

be competitive but they wouldn't budge," continued Streff. "They said it was the way they had always done business and they weren't going to change."

After a trial period of one year, Streff moved all of Milwaukee's EDI traffic to GXS. This resulted in a savings of approximately 40% over what they had paid their previous VAN provider.

Today, 99 percent of Milwaukee Electric Tool's EDI traffic flows seamlessly through GXS, sending purchase orders, invoices and other documents to trading partners with near-zero performance issues. Inovisworks even handles the company's Internet transactions via its hosted AS2 solution, sending transactions directly to Milwaukee's retailer customers, a requirement mandated by Lowe's, one of the company's key customers.

## The Results and Benefits

The GXS solution allows Milwaukee Electric Tool to cost-effectively expand its sales and supplier channels while streamlining the cost of processing orders, building power tools and invoicing customers. Orders are fulfilled faster and this ultimately drives higher customer satisfaction.

The biggest savings have been with GXS. "With our previous VAN provider, we were paying three times as much as we are now even though we now process 40,000 transactions a week," said Streff. Order accuracy is close to 100 percent and customer service calls have gone way down. "We know that if it's on our system and it came in through Inovisworks, it's correct," continued Streff.

When it comes to network providers, Streff has tried all the leading vendors. With each of these providers, Milwaukee faced either technical limitations, causing high failure rates, or poor customer service, resulting in slow issue resolution times. "Now we just want all our EDI transactions to come through GXS. We want one contact point for resolving issues—even though we seldom have any problems," related Streff. "The [GXS] solution is so slick and problem-free that we don't take calls from competitors anymore."

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### NORTH AMERICA AND GLOBAL HEADQUARTERS GXS

9711 Washingtonian Blvd.  
Gaithersburg, MD 20878  
US

+1-800-503-9190 t  
+1-301-340-4000 t  
+1-301-340-5299 f  
www.gxs.com

### EUROPE, MIDDLE EAST AND AFRICA HEADQUARTERS UNITED KINGDOM

GXS Limited  
18 Station Road  
Sunbury-on-Thames  
Middlesex TW16 6SU  
England

+44 (0)1932 776047 t  
+44 (0)1932 776216 f  
www.gxs.eu

### ASIA HEADQUARTERS HONG KONG

GXS International  
Room 1609-10  
16/F China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong  
+852 2884-6088 t  
+852 2513-0650 f  
www.gxs.asia.com

### JAPAN HEADQUARTERS TOKYO

GXS Co., Ltd.  
3F Akasaka 1-Chome,  
Minato-ku, Tokyo 107-0052  
+81-3-5574-7545 t  
+81-3-5574-7560 f  
www.gxs.co.jp



#### About GXS

GXS is a leading B2B integration services provider and operates the world's largest integration cloud, GXS Trading Grid®. Our software and services help more than 550,000 businesses, including 22 of the top 25 supply chains, extend their partner networks, automate receiving processes, manage electronic payments, and improve supply chain visibility. GXS Managed Services, our unique approach to improving B2B integration operations, combines GXS Trading Grid® with our process orchestration services and global team to manage a company's multi-enterprise processes. Based in Gaithersburg, Maryland, GXS has direct operations in 20 countries, employing more than 2,800 professionals. To learn more, see <http://www.gxs.com>, read our blog at <http://www.gxsblogs.com> and follow us on Twitter at <http://twitter.com/gxs>. You can also access our public filings with the Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.