Growing Wine & Spirits Distributor Discovers the Freedom of Managed Services

Martignetti Companies

A period of growth and too much manual manipulation led to necessary changes.

"It's easy to measure the benefits of managed services integrated EDI; it's so obvious - our largest number of POs which go to our three largest suppliers can be handled in the least amount of time with a greater degree of accuracy than all the POs we send to hundreds of other suppliers." ~ Linda Toupin, Senior Systems Analyst

Executive Summary

In the early 2000s, Martignetti acquired new divisions and slowly improved their B2B operations by leveraging existing tools. Upon examining ROI years later, it was determined that migrating to a Managed Services platform would further streamline their electronic trading efforts.

Challenges

Martignetti Companies began as a family-owned grocery business in Boston's North End. After the repeal of Prohibition in 1933, the

Martignetti family received the first retail liquor license in Massachusetts. Through the years they grew their retail business to include a number of wine and spirits shops across the Boston metro area. In the 1970s they expanded the distribution and wholesale business focusing on fine wines. In 2006 Martignetti, New England's leading distributor of fine wine and spirits, acquired a new division in Braintree adding to the acquisitions they manage in four other states: Rhode Island, Maine, New Hampshire and Vermont. This division had been trading via EDI with three suppliers for over a decade - starting up after their largest supplier (and the largest liquor supplier in the US) issued a mandate. EDI coordination at the start was handled by a programmer in their small IT department with a custom integration to their ERP system.

At the time of the acquisition, Martignetti converted the new division's back-end system to Microsoft *Axapta* (now known as Microsoft Dynamics AX) reaching out to GraceBlood for assistance with all aspects of the new implementation from Interface and communication with trading partners to integrating documents to *Axapta* via Sterling Commerce's GENTRAN Director to house staff training and on-going support.

With this solution and a batch process on the *Axapta* server, outbound POs to suppliers exported automatically without any manual intervention. Previously "dubious" purchasers who were used to monitoring hourly to make sure POs really were going out, soon became confident in the new automated process and quickly started appreciating the "hands-off" efficiency of the new integrated EDI system. The contrast between processing EDI POs and non-EDI POs was startling: non-

Martignetti's 680,000 sq. ft. warehouse

EDI POs took way too much time with more paperwork and more physical involvement in processing.

How Managed Services Helped

In 2011 Martignetti began assessing all internal processes from a cost justification perspective. They saw that a natural way to save money was to stop supporting so many software applications and products in-house. In coordination with GraceBlood, Martignetti moved their in-house EDI to GraceBlood's Managed Services solution. This eliminated GENTRAN Director, the customer-specific communications setups and the underlying hardware platform.

Results

Now the high volume of outbound POs and inbound documents move smoothly and even more "invisibly" between *Axapta* and UL's trading partners. IT staff are now freed up to move other projects forward counting on the reliability of EDI transactions processing in the background.

> *"We have consistently invested in innovative technologies to ensure world class service and accurate delivery of products."* ~ Al Mendes, SVP, IT

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