

Going Digital Creates Big Efficiency, Inventory, and Profitability Benefits for Key Cooperative



Key Cooperative is an agricultural retail supplier based in Roland, Iowa. Key provides seed and inputs, agronomy and precision agriculture services, energy, feed, and lumber to farmer-customers from its 15 locations across the central part of the state.

Like many retail operations, Key found itself struggling with inefficiencies and manual processes for input ordering and inventory management and was seeking ways to move forward with automating and digitizing. In 2012, Key took advantage of a Seed Connectivity Project being launched by AgGateway.



Find out how Key Cooperative accomplished this on the reverse side of this case study.



THE CHALLENGE

Key Cooperative's seed division ordering regimen required that orders be double entered, causing significant inaccuracies in product names, quantities, and specifications.



THE SOLUTION

The cooperative committed to replacing its inefficient and error-prone manual process with an electronic, digitally connected system. Working collaboratively with its trading partners and software providers through AgGateway's Seed Connectivity Project, Key was able to fully digitize its inventory, and gain the ability to move sales data to trading partners.

Using standard identifiers within AgGateway's Ag Industry Identification System (AGIIS), Key was able to create a cross-reference between its products and manufacturers it does business with, allowing it to bring seed shipments in accurately.



THE RESULTS

- Entry time was reduced by two-thirds in its business processes. Thousands of units of grower seed orders are processed in a matter of seconds and communicated to manufacturers' systems, a process that had taken hours of manual inputting.
- Key doubled its inventory control and reduced shrink.
- The price sheet is synced directly into Key's system efficiently and accurately, giving salespeople and management the confidence that they have the right price.
- Information is correct the first time and seed shipments are brought in accurately.
- Going electronic allowed Key to internally solve a UOM issue with orders from its largest chemical supplier.

“By implementing AgGateway standards and going electronic, we’ve cut entry time by two-thirds in our business processes.”

— Ann Vande Lune

Taking part in the project gave Key a seat at the table to help set the standards that it would be utilizing electronically. Key’s accounting software provider and a third-party software company helped with the connections between the suppliers, and to create the order-to-booking process.

“Our accounting software provider helped us get the inventory into our system with the electronic ship notice and invoice process. We also worked with them to get the sales data out of our system and upload it into the manufacturers’ system,” said Ann Vande Lune, Agronomy Administrator at Key. “The other provider helped us pull in what we have on order with our suppliers and match it up with what we have on order, to provide us a multi-supplier long-short for our sellers.”

Key implemented its first digital connectivity initiatives in 2012, including establishing electronic connections for electronic ship notices, price sheets, and product movement reports (PMR). In 2015, Key also implemented electronic seed ordering.

By using standard identifiers within AgGateway’s Ag Industry Identification System (AGIIS), Key was able to create a cross-reference between its products and the manufacturers it works with, which helped to bring its seed shipments in accurately.

“We went electronic with all processes, with all locations, at the same time,” said Vande Lune. “We knew there was a lot of value in digital connectivity, so we wanted to make it an across-the-board change, so we didn’t have different processes for different locations. With the smoothness of digital connectivity none of our locations missed a beat and we have been able to reap the benefits of the faster information.”

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As the agronomy administrator, Vande Lune is now able to process all customer orders through the order-to-booking process. Key can process thousands of units of seed by actual grower orders in a matter of seconds to the manufacturers’ systems.

“By implementing AgGateway standards and going electronic, we’ve cut entry time by two-thirds in our business processes – push a button and it’s there accurately.”

Moreover, inventory control has doubled, and shrink has dropped, Vande Lune said. “The price sheet has eliminated mistakes,” she said. “Salespeople and management have confidence that they have the right price.”



The electronic connections also allow Key to give better ordering information to its suppliers, providing them true visibility to the orders in a matter of seconds.

Going electronic also helped eliminate a pesky unit-of-measure (UOM) problem with Key’s largest chemical supplier. “Before we would struggle with correct conversions of what we sell the product in versus what they sell it in (ounces versus pounds). With the help of a third-party software company, we were able to implement a behind-the-scenes conversion process so that every one of our chemical items now comes into our system in the correct UOM.”

Today, Key is working on implementing digital connectivity with its trading partners in chemical and fertilizer, as well as additional seed partners. “We have seen and felt the value of digital connectivity,” said Vande Lune, “so anything that we can do electronically with our suppliers, we are willing to have that conversation.”

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