AAPA Garners 2000% ROI with Super Spec

Inefficient Communication

Aftermarket Auto Parts Alliance, Inc. (AAPA) is one of the largest auto parts distribution and marketing organizations in the world, marketing the Auto Value and Bumper to Bumper brands. With 53 shareholder

buyers and partnerships with 211 Alliance-approved vendors, this organization deals with thousands of orders each year. There was little in common across the various members' and vendors' systems with very few having electronic data interface (EDI) capabilities, meaning most orders were processed manually on paper-based systems. Complex product lines with thousands of SKUs and long part numbers made manual entry prone to error. A lack of return information, such as order acknowledgement and advanced shipping notices, made orders difficult to track as well.

Standardization Brings Reduced Costs

John R. Washbish, Alliance President and CEO, knew a move to an electronic system would save time and money by standardizing communication and reducing errors. Working with Super Spec—the industry best practice for EDI, supported by the Automotive Aftermarket Industry Association (AAIA) and contributed by GCommerce—allowed Alliance members and vendors to communicate using common specs on all orders. The electronic format also reduced processing time for each order.

"Super Spec is a valuable turnkey solution for us, our members and vendors," said Dale Hopkins, Vice President of Information Technology at the Alliance. "It's benefitted everyone by reducing costs and errors while speeding up our whole process."

Thanks to strong support by Alliance management, the majority of members and vendors have committed to using Super Spec. Since implementing the common spec language, Alliance members and vendors have seen a reduction in order errors and turn-around time on processing. Increased ease of tracking order confirmations and shipping notices also has led to smoother transactions between Alliance members and vendors. Invoices are electronically checked against purchase orders to ensure accuracy and overall staff time spent processing transactions has been cut in half.

Analysis indicated that manually processing orders used to cost the Alliance $8 per order on average.[i] An electronic and standardized system with Super Spec brought costs down to around $1.80 per order. That's added up to huge savings for the Alliance. Fully implemented it would be roughly a 2000% return on the investment in Super Spec.

The Alliance continues to gain commitments to Super Spec from its remaining members and vendors and looks forward to universally implementing this time and cost-saving tool. "In addition to enabling two-way electronic communication of stock order information between Alliance members and vendors, we have built the foundational infrastructure for future order related supply chain efficiencies," said Hopkins.

Supply Chain Return on Investment	
Total purchase orders processed each year	551,200
Average shipments per PO	2
Total Shipments	1,102,400
Average invoices per PO	2
Total invoices	1,102,400
Total transactions	2,756,000
Savings per transactions	$6.20[i]
Total savings per year (fully implemented)	*$17,087,200*
This represents a return on the Alliance's initial investment of nearly 2,000%.	

[i] International Accounts Payable Professionals