

## CASE STUDY

A. O. SMITH WIDENS  
ITS REACH FOR  
ENHANCED GLOBAL  
DISTRIBUTION

Company Name  
A. O. Smith

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Industry  
Water Technology

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Equity Type  
ORD (NYSE: AOS)

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Products  
Water heaters, boilers, water system tanks, and water purification and filtrations systems for commercial and home use

### OVERVIEW AND CHALLENGES

## VISIBILITY OF SUPPLY CHAIN OPERATIONS

Headquartered in Milwaukee, Wisconsin, A. O. Smith is a leading manufacturer of residential and commercial water heaters and boilers in North America. Since its start in 1874, the company focuses on applying innovative technology and energy-efficient solutions to products marketed worldwide.

With its business comprising of e-commerce and wholesale, A. O. Smith manages sales and distribution in more than 60 countries. Serving customers all around the world requires a high-level of visibility of the company's supply chain operations to ensure optimal efficiency, so A. O. Smith looked to streamline its supply chain processes by implementing an automated shipping solution that would consolidate its resources and increase transparency.

## CUSTOMER TESTIMONIAL

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*"With ShipERP, we were able to reduce small parcel packing labor at our high-volume shipping location."*

*- Jennifer Bartosch, A. O. Smith's Transportation Management (SAP/TM) Lead*

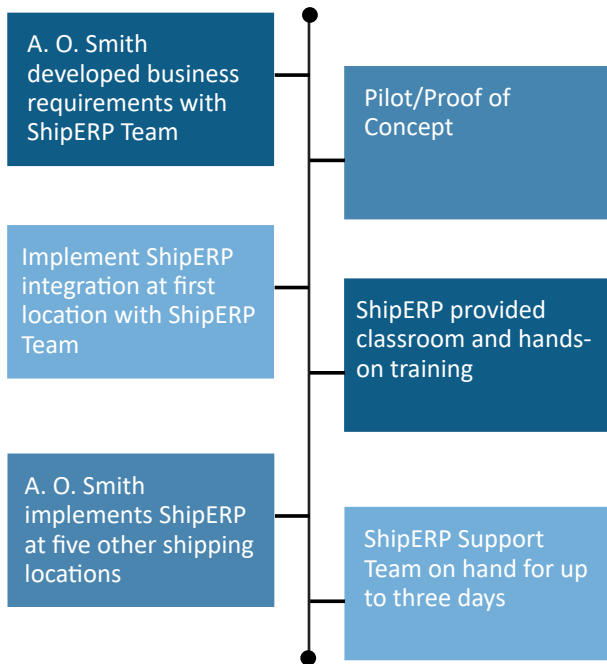
## SOLUTION

# CONSOLIDATION OF SHIPPING PROCESSES WITHIN A CONFIGURABLE SAP-INTEGRATED SOLUTION

A. O. Smith found that it needed to gain visibility of its logistics process to keep innovating and providing customers with long-term business value. That's when the company used ShipERP to provide it with an out-of-the box shipping solution that automates freight audits and track shipments, all on one screen.

With ShipERP solutions, A. O. Smith gained the capability to track shipments within SAP at the delivery and handling level. The company can now perform rule-based carrier determination within SAP and have transparency on freight costs with automated freight audit. A. O. Smith also integrated ShipERP into its custom-built support portal that better serves its customers.

## IMPLEMENTATION



**“In our first implementation we reduced packing labor by 25%. Since then, we have also consolidated two parcel shipping locations into one and reduced small parcel packing headcount in the absorbed location by half.”**

**Transportation Management Lead Jennifer Bartosch**

## BENEFITS

- ✓ Higher volume of shipments (2,000/day in Aquasana)
- ✓ Decreased shipping process duration
- ✓ Reduced labor while maintaining shipment volume
- ✓ Reduced overhead by consolidating locations
- ✓ Increased visibility of freight cost management

## RESULTS

A. O. Smith performs its supply chain functions on a higher level after implementing a robust SAP parcel shipping solution. By consolidating the shipping process, the company moved away from legacy FedEx and UPS stations.

The company experiences associate tracking with customer deliveries and dynamic traceability of freight audit. Overall, A. O. Smith now operates a more efficient supply chain to continue delivering sustainable business values for their customers.

## THE FUTURE

After working with ShipERP at several locations, A. O. Smith looks forward to expanding the parcel shipping solution to all high-volume locations within the U.S. With the time saved by a consolidated supply chain, the company can turn its attention to future growth opportunities, like implementing S/4HANA and much more.

## A. O. SMITH'S ONBOARDING ShipERP MODULES:

- ShipERP™ Core
- AuditERP – Freight Audit