



As a leader in manufacturing automation, Rockwell Software Inc. provides solutions that help companies worldwide streamline factory floor operations and integrate them with corporate applications. Rockwell Software relies on HP Software Publishing Services to produce and distribute its software product updates in mass releases of up to 20,000 units.

Rockwell outsources software product lifecycle for rock-solid benefits

More than 20,000 manufacturers use Rockwell Software products to automate and integrate the factory floor with the rest of the enterprise. This Wisconsin-based arm of Rockwell Automation has been named one of the top 100 software vendors by *Manufacturing Systems Magazine*.

All this success is based on a basic business principle: pleasing the customer. So when high-volume shipments of software updates were delayed, Rockwell Software didn't hesitate to look for the best solution: outsourcing to HP Software Publishing Services (SPS).



HP SPS already had a four-year outsourcing partnership in place with Rockwell Automation to print and distribute technical and marketing material. With the success of this agreement, Rockwell Software was confident that HP could handle their software update business.

That confidence was well-placed. HP quickly reduced the software update cycle to just days. Extending that success to new Rockwell Software products, HP went on to cut the manufacturing and fulfillment process to a matter of days—and sometimes even hours—on a worldwide basis.

“With HP Software Publishing Services as our partner, Rockwell Software is a true global supplier,” says Operations Director Bill Barnwell of Rockwell Software Inc. “Our customers in Europe and Canada now see the same short order turnaround times as our U.S. domestic customers.”

Now, HP manages the full software cycle for 64 Rockwell Software solutions, from manufacturing and fulfillment to order tracking and reporting. In 2002 alone, HP handled nearly 95,000 shipments of new products and updates. That shipment total is significantly lower than the peak in 2000, when HP completed 140,000 shipments. The difference is not due to a decrease in Rockwell Software's business, but to an HP-led initiative that consolidates all orders that ship to the same customer location. HP worked closely with Rockwell to accomplish the change, which is now yielding a 30% savings in freight and per-order charges.

Barnwell says HP instills confidence in Rockwell Software customers—they know they will receive the right order at the right time. “The HP team has made real believers out of our customers,” he says. “HP delivers an outstanding level of expertise, product quality, and performance that translates into a high level of customer satisfaction. HP has surpassed all our expectations.”

HP cuts weeks from update cycle

Prior to outsourcing software publishing to HP, Rockwell Software’s manufacturing operations, centralized in its U.S. headquarters facility, found it hard to keep up with order volumes. While they could handle smaller update orders, mass releases of new versions often totaled up to 20,000 units. Coupled with customs issues, this meant it took weeks or months for customers to receive updates.

Now, when the need for a high-volume shipment of updates arises, Rockwell simply sends electronic masters of documentation and media to HP. These masters are securely archived in a global electronic library and are instantly accessible to HP SPS facilities that manufacture and distribute orders worldwide. The library is linked to HP print and media replication systems, as well as order fulfillment, inventory, and distribution systems.

The file transmission from Rockwell initiates printing, replication, kitting, and fulfillment processes in two HP facilities. Software kits containing CDs, documentation, letters, and release notes are packaged in Galway, Ireland, for shipment to Europe, the Middle East, Africa, and Asia Pacific; meanwhile, the facility in Nashua, New Hampshire ships to customers within the U.S., Canada, Latin America, and Mexico.

Sheri Brandl, Outsourcing Manager for Rockwell Software, says distributing manufacturing across these two facilities eliminates many of the customs issues involved with shipping from just one country. Further, the ability to handle massive numbers of updates significantly decreases turnaround time.

“Since HP manufactures and distributes thousands of kits per day, the whole update process has been reduced from weeks or months to just days,” Brandl says. “With HP, our customers quickly receive the latest and greatest versions of our software.”

HP reports all update activity in a “pass back” file and sends it to Rockwell Software at the end of each shipment day. This report contains customer names and order numbers, the version sent, and the ship location, along with serial and carrier tracking numbers. The information

automatically feeds into Rockwell Software’s customer support database. As a result, when customers call into the support center, representatives immediately know the status of each shipment and can respond to customers quickly and easily.

Web-based solution for new products speeds time to market

The next challenge was to reduce the fulfillment cycle time for new products. A single Rockwell Software facility



processed orders flowing in from a worldwide network of Rockwell Automation offices. With customs issues arising over shipping products outside the U.S., it often took up to five business days to fulfill an order. To meet customer demands, regional offices within Europe often warehoused kits, which made obsolescence an issue.

Rockwell Software once again turned to HP, its trusted outsourcing partner. “It was the first time new product kits were going to be produced anywhere but here, so it was a milestone for us,” says Brandl. “If we were going to hand this off to anyone else, we wanted them to provide a total solution.”

HP developed and implemented an e-commerce order administration model. Now, Rockwell Automation offices throughout Europe use electronic data interchange (EDI) to submit orders to the HP Galway facility, while offices in Canada and Mexico place orders through a secure Web store. HP captures orders from the Web store every 15 minutes and fulfills them from its Nashua facility.

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To fulfill orders as swiftly as possible, HP stocks high-demand kit components at minimum/maximum inventory levels, with great results. “Orders received by noon ship the same day,” reports Brandl. “Orders received after noon ship the next day, representing 80 percent of all orders.” Low-volume kits are built on demand and shipped within three days. HP processes orders so quickly, Brandl says, there’s no need for Rockwell Automation offices to warehouse kits.

Brandl says the offices appreciate the high global on-time delivery rate of 99.8%. “Rockwell Automation offices are extremely satisfied with the reduced time to market,” she says. “That’s why we’re sending more business to HP every day.”

Tracking and reporting for instant status, reduced inventory

Tracking new product orders is easy and fast. HP acknowledges each order from Rockwell Automation offices with a commitment date and order number for tracking. Once shipped, the offices receive notification with an expected date of arrival and carrier information. HP also e-mails summary shipping reports for all new product orders to each office daily. To check order status, the offices link to the HP iQuery tool at the Web store, enter the order number, and instantly receive an update. To see exactly where the order is in transit, users hot-link directly to the freight carrier’s site.

Brandl receives a daily “pass back” file of ordering information. Weekly shipping reports show totals for new product orders from each location. Brandl’s team also uses the iQuery tool to check inventory levels, bills of materials (BOMs), and build instructions for kits. Ordering data also flows into customer support systems for a complete record of all products owned by each customer.

The minimum/maximum method of stock management for new products works well as an ongoing inventory management tool. HP stocks most product kits with a minimum of one week’s volume and a maximum of two weeks’. Volumes are forecasted based on actual order activity and Rockwell Software’s own expectations for each product. If stock falls below the minimum level, an order is automatically triggered.

Brandl sees the advantages to this model of inventory management and the expertise of the HP team. “The min/max levels are constantly reviewed by the HP order administration team,” she says. “As a result, there’s less obsolescence, less rework and scrappage, which means a significant cost savings to us.” For additional cost savings, HP owns the inventory for new products until they’re shipped as a kit.

Program management from a dedicated team

Brandl credits the HP account team—a dedicated account manager, account representative, purchasing representative, and materials resource planner—with much of the success. Weekly conference calls and onsite biannual reviews also keep things running smoothly.

“Our HP account team knows our business and product lines very, very well,” Brandl says. “They are extremely flexible and proactive and resolve any issues quickly. They’ve made the relationship as strong as it is today by paying attention to our business needs. Their attention to detail, along with HP’s rigid requirements for new product introductions and BOM control, results in a 99.8% quality rating globally for new products.”

That hard work will continue to pay off for HP, as well. “Soon we’ll be outsourcing 75–100 more new products to HP,” says Brandl. “One of our goals from the beginning was to strengthen our relationship with HP and do more business with them,” she says. “In the future, we’ll be outsourcing at least 90% of our European business to HP.”

Barnwell agrees that the dedicated HP team is key to Rockwell Software’s success: “We’ve never found a better group of people to work with,” he says. “It really doesn’t get any better than this.”

Challenges

- Delays in delivering mass releases of new software versions to customers
- Long cycle for fulfilling global product orders
- Excess inventory and obsolescence

Solutions

- Outsource to HP full software lifecycle management—from manufacturing to fulfillment—for 64+ products
- E-commerce order administration with same or next-day shipping worldwide
- Easy order tracking and reporting
- Implement automated inventory management model

Results

- Software update cycle cut from weeks to days
- New product fulfillment cycle cut from days to hours
- 99.8% global, on-time delivery
- 99.9% order accuracy
- 30% saving in freight charges through shipment consolidation
- Cost savings from reduced obsolescence, rework, and scrap

At a glance

Company: Rockwell Automation, Inc.

Brand: Rockwell Software

Headquarters: Milwaukee, Wisconsin

Industry: independent software vendor, manufacturing

Customers: 20,000 manufacturers use Rockwell Software products

URL: www.software.rockwell.com

Business: factory management software

HP Software Publishing Services

- **Part of:** managed services portfolio from HP Services
- **Centers:** Galway, Ireland; Nashua, New Hampshire; Fremont, California; Singapore
- **Services:** software lifecycle, including media replication, e-commerce, new product introduction, physical and electronic distribution, account management, materials procurement, inventory/order management, documentation, value-added services
- **Strengths:** solid track record with proven processes based on best-in-class business systems, technology, and execution; flexible philosophy

For more information

To learn more about HP software supply chain services and other managed services, visit HP at www.hp.com/hps/supply or e-mail software.publishing2@hp.com.

To learn more, visit www.hp.com/hps/supply.

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