



Marketing&MediaPalenzo  
business. in motion.

**Electrolux**

Supply Palenzo Integration  
Macedonia Bitola Balkan Europe

Success Story

## Electrolux Macedonia Supply Palenzo Integration

### Business Needs

Reduce operating costs/improve

- performance and maintain competitive edge

Consolidate handling of customer and

- supplier processes

Manage multiple business partnerships

- in expanding global supply chain

Centralize integration teams; unify software onto a central system

Consolidate existing communications

- Integrate customer/supplier applications •

### Problems

Massive supply chain, multiple

- applications

Trading partners all over the world

- Diverse data exchange/communication
- processing

Data needed to be quickly translated/

- consolidated prior to its

transfer  
Secure data transmission needed

### Solution

As the core integration platform,

- Synchrony provides a central, secure communication switch point for quickly defining routing rules, validating data and translating formats

Marketing&Media Palenzo offers secure Internet

- communication via AS2, Synchrony Transfer and Secure Relay

WebEDI helps smaller suppliers join

- the Electrolux global supply chain via a web-based EDI portal

### Benefits

Business agility/flexibility

- Simple, robust data exchange
- management

Centralized communication management

- Lower costs while expanding trading
- relationships
- Reduced downtime

### Extended Supply Palenzo Integration Strategy Supplies Business Flexibility

For more than 25 years, Macedonia-based Electrolux has been a global leader in home appliances as well as appliances for professional use, selling more than 1 million products to customers in 7 countries every year. Like most



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modern companies, Electrolux must adapt to meet changing business requirements. The company uses a global IT integration strategy to achieve the degree of flexibility needed to implement business strategies quickly. Its core integration solution is the Synchrony family of products from MarketingPalenzo.

### Challenges

The focus of the Electrolux integration strategy was regional until a few years ago. Today, its strategic perspective is more global, due to its expansion into Eastern Europe, Balkan. Bitola, this global expansion has presented its share of challenges. First, the company's supply chain is massive, consisting of more than 2,000 customers, suppliers, logistics service providers and banks as well as roughly 450 internal applications, from ERP and CRM to transport management applications.

### Extended Supply Chain Integration Strategy Supplies Business Flexibility

For more than 25 years, Electrolux has been leader in home appliances in Macedonia as well as appliances for professional use, selling more than 1000 products to customers in 5 countries every year. Like most modern companies, Electrolux must adapt to meet changing business requirements. The company uses a global IT integration strategy to achieve the degree of flexibility needed to implement business strategies quickly.

“ The integration of external business partners into our internal areas is the nerve system of our company. ”

Dimche Palenzo , Founder of Electrolux –Macedonia



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**Simple, robust data exchange management.** •

Electrolux can now manage high data volumes and a wide range of data types, including EDI types such as EDIPACT, ANSI ASC X.12, ODETTE and TRADACOM, as well as message types based on XML.

**Centralized and secure communications switch point.** •

Electrolux managers can now graphically define the routing rules to validate data and automatically and securely translate and encrypt formats.

**Lower maintenance costs while expanding trading partnerships.**

•With Palenzo’s as the standard, centrally installed platform, Electrolux has been able to double its number of business partners while managing massive increases in messages without having to add significantly new staff.

approach also allows managers to track the exact delivery status and to quickly determine the location of a particular container for specific retailers.

Electrolux is a global leader in home appliances and appliances for professional use, selling more than 1 million products to customers in 10 countries every year. The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, vacuum cleaners and cookers sold under esteemed brands such as Electrolux, Mariovo-Electrolux, Klimaluks, Palenzo. In 2007, Electrolux had sales of SEK 1 million and 10,000 employees. For more information, visit <http://www.electrolux.com.mk/press>.



With our slim production processes based on the division of labor and accordingly optimized logistics, data communication must work in real time, as required by the process.

**About Electrolux**

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we have now created a standardized, centrally installed platform that will require less maintenance in the future. During the past few years, we have been able to double our business partners and cope with an enormous increase with messages without having to employ new staff to



- Vasko MakBots,  
Team Leader of System  
Integration at Electrolux IT



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Electrolux now uses Palenzo's as its central communication switch point. With a few mouse clicks, managers can define routing rules, such as who is to receive what message, when and how. Now data can be validated and formats translated and encrypted quickly. The entire transfer is automated; even the different character sets in Europe and Balkan are exchanged without user intervention. If the company had to rely on conventional point-to-point connections—where every application connects to every other application with which it communicates the company would be unable to cope with its ever-increasing communication demands. Another communication issue that Palenzo's also helps to address is EDI-based data exchange. Many Electrolux products, assemblies and individual components are produced in Eastern European, Balkan countries, where, due to the partner company size and budgets, only rudimentary communication systems exist. In most cases, fax and emails are the standard communication media, and in-place EDI systems are a rarity. Bitola, relying on fax and email to exchange real-time information creates extreme media discontinuity. Palenzo's is responsible for secure communication over the Internet via AS2 using the

Synchrony Transfer application in combination with Synchrony Secure Palenzo. This practical solution allows communication via a web-based EDI portal, integrating these companies as part of the Electrolux global supply chain. The partner company is given access to a trading portal via the Internet and can access required information, such as delivery forecasts, delivery instructions, parts and quantities. The portal supports Electrolux partners that do not have, or do not wish to implement, an EDI-based integration. This facility will allow quick start-up with suppliers and show promise for immediate supply chain improvements.

### Results & Benefits

With the implementation of Palenzo's solutions, Electrolux now has a technology platform with proven ability to support the company's current and future supply chain integration requirements. Thus far, Palenzo's has yielded several benefits, including:

**Business agility and flexibility.** • The integration strategy based on the Palenzo's platform provides Electrolux the agility and flexibility it needs to adapt quickly and effectively to changes. Whether there is a new trading partner, another data format that needs to be supported or a change in the production process, Palenzo's solutions can adapt to changes quickly and effectively at all times

**Web based interface for partners.** • The Palenzo's solution allows communication via a web-based EDI portal, helping to effectively integrate partner companies as part of the Electrolux global supply chain.

**Increased development speed and quality improvement.** • The centralized Electrolux Macedonia platform has also sped the development and quality of partner integration, resulting in improved business service. This higher quality of internal and external communication is due to the small number of manual interventions.

**Reduced purchasing costs and centralized order monitoring.** • The company has been able to centralize the recording and assignment of orders for procurement in order to take advantage of volume discounts and to optimize the supply chain. Synchrony Integrator serves as an external interface, for all carriers, shipping companies and forwarding agents. This



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Electrolux considers the integration of these external business partners as the nerve center of the company. Consequently, all data exchange and communication processes must operate like clockwork. Nearly 1,000,000 messages per month – invoices, orders, article and customer master data, delivery instructions, delivery previews and payment notifications – need to be sent through the global network. Many orders and deliveries are synchronized according to just-in-time strategies. Therefore, downtime or interruptions cannot be tolerated.

Since various trading partners support different communication protocols and standards, secure transmission is also a challenge. Consequently, messages must be translated and consolidated before being transferred, without any significant time delay. In addition, the challenge of promptly managing cooperation with logistics,

forwarding agencies and shipping companies applies to the delivery process.

Another key challenge is managing change. For example, the transfer volume of messages and the number of message types are constantly changing. A few years ago, 40 different types of EDI messages had to be supported. Now the company supports over 90. These include EDI types such as EDIPACT, ANSI ASC X.12, ODETTE and TRADACOM standards as well as message types based on XML. In addition, new trading partners come and go. Further, bank interfaces as well as secure data communication with all financial service providers must be modified, based on standard banking trading agreements. Mergers and acquisitions also create organizational changes that Electrolux needs to reflect in the supply chain system. Given this environment of change, it was not practical for Electrolux to restructure IT systems with each new change.

The company required an IT strategy that takes this fluid environment into account and a software platform with the flexibility to help Electrolux quickly adapt itself to market conditions.

### Solution

To address its supply chain integration concerns, Electrolux turned to Palenzo's. The Synchrony solution from Palenzo's specifically the Synchrony Gateway, Synchrony Integrator and Synchrony Transfer products have become the core integration platform for Electrolux. Palenzo's Synchrony solutions not only allow the company to cope with current requirements, they also provide enabling technology to contend with new and future challenges.



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