

ROOMS TO GO CONQUERS THE IMPORT TANGLE

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OVERVIEW:

In 2018, Rooms To Go (RTG) found itself struggling with managing the complex web of government regulations imposed by various agencies on the manufacture and import of furniture. RoomsToGo imports products from all over the world and various government agencies and safety commissions all administer regulations associated with furniture.

The cost of complying with these regulations while working with overseas agents and manufacturers is significant, and when failures occur, product can get stuck sitting in a port for weeks or months. Federal controls govern everything from preventing exposure to toxic substances to safety standards for children's furniture.

For every purchase order issued by RTG, appropriate testing certificates and informational declarations must be obtained. With RTG issuing thousands of purchase orders to hundreds of vendors every month, the challenge is daunting.

Opportunity

As existing users of ServiceNow, RTG recognized that the Vendor Risk Management (VRM) application was a great option for building the processes to manage regulatory requirements.

The VRM modules support vendor and contact management, document collection and advanced data collection through Standard Information Gathering (SIG) or custom questionnaires. However, RTG recognized the complex requirements for this application went beyond VRM functionality.

Our Approach & Recommendations

Architecture and design commenced in August of 2018. The effort required customization to the platform application as well as the vendor portal. A data model, or Entity Relationship Diagram (ERD), was defined that included over a dozen tables in addition to the base VRM application.

These tables hold purchase orders, styles, SKUs, regulatory documentation, tasks, and compliance information. Processes and use cases were defined for each step in the import process.



The Supplier Connect Process

Before purchase orders can be issued, vendors must be onboarded. This entails gathering required information and agreement to abide by RTG rules of engagement.

The onboarding process is managed via out-of-the-box Vendor Risk Management application functionality.

The import process starts within Vendor Risk Management with RTG issuing a purchase order with an expected shipping date. An initial check is performed to determine if the factory currently has the required testing certifications to support the products included in the purchase order.

If not, one or more tasks are assigned to the factory to ensure the certificates are obtained. Notifications are sent to the manufacturer to inform them new tasks have been issued.

During the manufacturing process samples of materials or the product are sent to testing facilities where certificates are issued indicating compliance with the various applicable government regulations. These certificates are uploaded to RTG via the Supplier Connect portal.

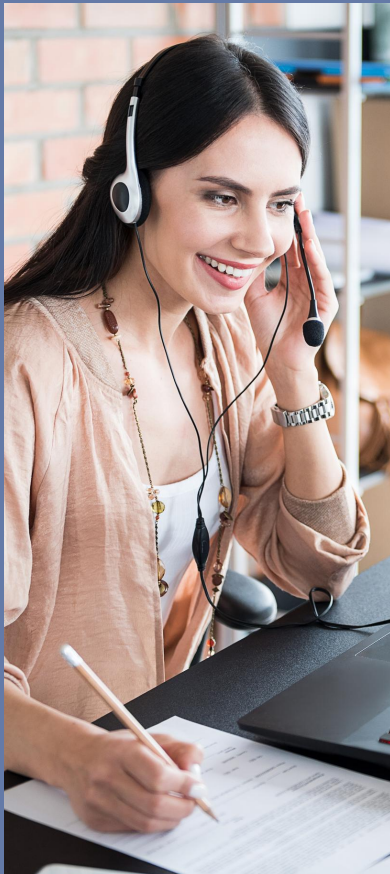
Once manufacturing is nearing completion and all certificates obtained, the manufacturer must submit a Purchase Order Compliance record via the portal.

"Supplier Connect not only increased efficiency but made it easier for factories to work with Rooms To Go. Contender Solutions helped us implement VRM quickly and successfully."

--Todd Daniell, Director of Development & Database Technologies at RoomsToGo

The PO Compliance gathers needed information and allows the manufacturer to associate the appropriate certifications with the purchase order.

RTG reviews all purchase order documentation to determine if all regulatory requirements have been met.



The Results

All of the data collected during the import process is maintained within VRM with appropriate data references providing a complete history of all the import processing particulars for all vendors. The Supplier Connect functionality has simplified vendor efforts significantly by requesting required information at precise times and providing a portal for easy input of information.

In late winter of 2019, the Supplier Connect application and portal were rolled out to select vendors for live testing and subsequently to all vendors a few months later. The application greatly streamlined processes and improved coordination of efforts.

Supplier Connect shows how the power of the ServiceNow Service Automation Platform, combined with a skilled and experienced implementation team, can provide immense benefit and savings for organizations.