

SAP Customer Success Story mySAP All-in-One – General Pants Co.



“Benefits of the SAP implementation have come from a reduction in man hours needed for manual reporting, easier identification of errors and a reduction in the time it takes to turnaround reports. It has proven to be a solution that can grow with us.”

Mark McRae, Financial Controller, General Pants Group.

AT A GLANCE

Summary

General Pants Group is a leading apparel retailer in Australia, influencing the latest in cutting edge street and surf wear for the fashion industry. The company offers a wide variety of fashion apparel primarily targeted at the 16-28 year age group. It offers a range of apparel brands that cover a broad customer base. With 69 stores the company has a wide presence in Australia and is looking at further expansion. The company's operation is supported by a workforce of around 1,500 employees, which includes both part time and permanent staff. General Pants, with a turnover of AUD\$200.0 million, invested AUD\$281,800 with Supply Chain Consulting to implement the mySAP All-in-One enterprise solution, to address its core business challenges.

Industry

Retail

Web Site

<http://www.generalpants.com.au>

Project Objectives

- Improve overall financial and operational efficiency
- Establish a transparent accounting and financial system to enable strategic business decision making

Key Challenges

- Integrate SAP into existing POS, PO & inventory systems
- Manage change management issues

Why SAP Solution was selected

- Platform to support growth
- Best practice retail solution
- Financial transparency

Implementation Highlights

- Delivered on time
- Delivered within budget
- Benefits realized

Key Benefits

- 30% increase in overall efficiency
- Significant reduction in reporting time
- Business has been able to integrate recent acquisition with little effort

Implementation Partner

Supply Chain Consulting

Solution & Services

mySAP All-in-One

Database

Microsoft SQL

Hardware

4x itel8

Operating System

Microsoft Windows NT

MYSAP ALL-IN-ONE AT GENERAL PANTS GROUP

Faster Processes, Faster Reporting, Faster Decisions

mySAP All-in-One benefited Australian retailer General Pants by increasing the efficiency of its operations with faster reporting, improved financial processing and analytics, reduced error rates, and more accurate data. The solution is expected to lay the foundation for possible future solutions such as SAP's Mechandising and Supply Chain Management Solution.

In 2004 General Pants sought to improve its overall financial and operational efficiency. This improvement should not only serve its customers better, it should also expand the company's business in the future. Therefore a transparent accounting and financial system, along with efficient analytics, was identified as the fundamental step to make key decisions necessary for future expansion.

Based on various internal discussions and comparisons with various products, General Pants decided to invest in SAP Financials. The company not only chose mySAP All-in-One because the solution addressed its key business pain areas, the solution was also recognised as a highly competitive investment compared to other vendors. mySAP All-in-One's ability to easily integrate with existing applications, including third party Point of Sale (POS) and Inventory Management systems, was crucial. Moreover the solution was able to support and provide technical solutions especially built for the fashion and retail industry.

In March 2005, after ten days of preparation and 15 days of blueprinting, General Pants began implementing the mySAP All-in-One solution with SAP's partner company Supply Chain Consulting. The implementation team comprised of four dedicated consultants from Supply Chain Consulting and two employees from General Pants. The solution went live in June 2005, with 10 days of training in financial and management accounting, procurement and project systems provided to more than 20 employees from General Pants. The training material was customised by General Pant's staff from templates provided by Supply Chain Consulting - an impressive proof for the value of active knowledge transfer during realisation phase.

30 percent increase in overall operational efficiency

General Pants achieved a 30 percent increase in overall operational efficiency as a result of implementing the mySAP All-in-One solution. General Pants' financial processes have become more effective, because of the systematic entry of all financial data and reduction in data redundancy. This integrated system assists better and more in-depth analytics to facilitate key decision making. Furthermore, the accounting procedures have been more streamlined due to the resolution of related accounting issues, such as reconciliation of errors and reversal of journal entries. The turnaround time of reports has been reduced by 12 days (from 15 to 3 days), a significant evidence of an increase in operational efficiency. The use of the integrated mySAP All-in-One solution results in the availability of accurate data at a faster rate.

The integration of various systems across locations helps General Pants to reduce data re-entry and man hours needed for manual reporting, provides easy identification of errors, higher visibility and control of inventory, and provides a strong foundation for further addition of modules such as merchandising and logistics. This lays the foundation for General Pants to further grow and expand.

Annual ROI: 15.8 percent

Key costs incurred were from the purchase of consulting services, software, personnel, hardware, and training. Consulting made up the largest portion and accounted for 36.2 percent of the total project cost. This includes the time spent by four consultants from Supply Chain Consulting for the implementation of the solution. The software cost including annual maintenance accounted for 29.8 percent of the total costs.

Personnel accounted for 18.2 percent of the total cost, and included the time spent by two internal General Pants' employees to support the implementation. The initial cost incurred on the hardware purchases for the mySAP All-in-One solution implementation accounted for 11.4 percent of the total costs. The cost of training totalled about 4.4 percent of the company's total investment in the mySAP All-in-One solution. The cost of training included both trainer cost and cost of employee time spent on training.

Frost & Sullivan, a global growth consulting company, has estimated that 15.0 percent of the incremental revenues and a savings of 25.0 percent ensued through the implementation of the mySAP All-in-One solution. Intangible benefits of the implementation of the mySAP All-in-One solution include a positive impact on corporate image and customer satisfaction. According to Frost & Sullivan the annual ROI will be 15.8 percent.

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