

Supply Chain

We make SAP work for you

Customer SUCCESS story:



▲ Peter Averkos, MIS Administrator, Windowware

Company Background

Windowware is a national wholesaler supplying ready-made window coverings such as blinds and venetians and a large variety of pre-packaged window hardware including curtain rods, tracks and brackets sold to the major retailers.

Since privatising in 1997 the company has an annual turnover of around \$20 million dollars and employs 42 people. 80 per cent of Windowware's business is direct to major retailers including Big W, Target and speciality drapery stores such as Lincraft and Spotlight. Windowware is also represented by smaller distributors who service

the made-to-measure suppliers, like curtain makers and interior designers.

By moving its business model away from customised products and focusing on volume retail products, Windowware has achieved over 40 per cent market share in the competitive DIY home decorating segment in the last four years.

"Innovative and competitively priced product options sourced from China have driven growth in the sector, said David Quinn,

General Manager of Systems and Administration at Windowware. "However it is harder to differentiate our company in a market where all products are similar and price-based. Key to our success has been the strength of our Windowware brand and the upgrading of our business systems to enable us to better manage the demands of the large retailers."

Business Challenges

Legacy IT Systems

The initial decision to upgrade Windowware's business systems started in 1998 with Y2K compliance looming. The existing warehouse system had many custom modifications, meaning an upgrade for Y2K compliance would cost in excess of \$1 million

and deliver little additional return to the business. Coupled with shortfalls in the warehouse management functionality and the inability to generate reports without programming, Windowware decided to review its business systems.

Having considered vendors such as Movex, JBA, JDE, BPICS and Manage 2000, Windowware selected SAP on the final recommendation of its IT and operations staff.

After extended management discussions regarding system specifications Windowware appointed Supply Chain Consulting, a leading SAP implementer, who recommended their SLIM™ solution. Built on mySAP All-In-One the solution provided preconfigured business processes in Finance, Controlling, Sales, Purchasing and Warehouse Management.

"It took a lot of the stress out of the decision for us at a crucial point in time. The SLIM pre-packaged solution enabled a disciplined approach to our scope of works and guaranteed a fast track implementation. The SLIM frameworks meant we did not get carried away implementing functions that would provide minimal business return and substantially slow down the roll-out."

The Right Technology Partner

After engaging Supply Chain Consulting for project management and implementation services, the system was implemented within 12 weeks. The first few weeks after the go-live date were spent ironing out the day to day issues and six weeks after go-live date Windowware were able to manage the full system operation without Supply Chain Consulting's support. "Our philosophy was to fully implement the base-line SLIM solution and then make system changes to user or business demand in the future."

The total cost of the SLIM implementation came in around 30-40 per cent less than the cost of upgrading Windowware's legacy systems for Y2K compliance. In addition, support costs are considerably reduced, as there is no need to have consultants onsite to manage downtime incidents and programming reports. The SLIM system today is managed by one IT Manager and occasional support from Supply Chain Consulting. In four years of operation there has been no unplanned system downtime.

Key to Windowware selecting SLIM was the warehouse management and forecasting modules, EDI trading management, flexible reporting functions and system integrity.

"It is the biggest investment in any business today, so you need to get that decision right. We went with SAP because we knew it was the Rolls Royce and we wanted to implement the best possible solution."

David Quinn,
General Manager of Systems
and Administration, Windowware

Warehouse Efficiency

The SLIM warehouse management module, a real-time warehouse management system has enabled Windoware to improve warehouse design and streamline pick-and-put-away functions. Previously staff spent time searching for items in stock bins that were often incorrect or not available. The system has saved warehouse staff time and improved overall efficiency without the need to implement radio frequency systems.

With over 1500 SKU's ranging from large tubing down to small nuts and bolts, SLIM has enabled tighter stock control and dramatically reduced stocktaking time, reduced from a one week cycle down to 10-12 hours.

Forecasting Accuracy

With most Windoware products being sourced from China with an eight week manufacture and supply cycle, accurate sales forecasting is key to managing service levels for large retailers.

The SLIM forecasting module generates forecasts based on sales history using statistical techniques, which in turn is used by purchasing staff to generate orders.

The SLIM deployment has delivered an improvement in Windoware's stock turn, with product levels currently at around six-eight weeks and greatly improved customer service levels. "Previously all products were manually forecasted based on sales reports, inventory reports and promotional activities of the retailers. We now have a system that automatically generates forecasts, providing full visibility into sales by each region and large retailer."

Reporting Flexibility

Prior to implementing SLIM all non standard management reports needed to be programmed by consultants and requests could take weeks to be actioned. With SLIM all users have visibility into the system and can generate ad-hoc reports as required, either from within the warehouse or remotely.

Emerging e-Commerce Requirements of Large Retailers

Suppliers like Windoware grapple with the disparate order and ship processes of the large retailers. These range from re-keying fax purchase orders, FTP and email transfers, traditional EDI systems through to full electronic trading hubs. Using SLIM, Windoware has easily translated all electronic and EDI formats using the SAP iDocs translation functionality. "There is no common approach by retailers to EDI or electronic order systems but we needed to

cover the gambit of manual and electronic systems in addition to preparing for the future demands of the large retailers. Many suppliers will not have the business systems to deal with emerging e-commerce requirements, but whatever happens we are now well positioned to handle it."

The Future

Rock Solid IT System

Shipping around 20 tonnes of orders daily and working with large retailer's orders means there can be no system downtime. "We have strict delivery schedules into the central distribution centres of the major retailers. If our system goes down and we can't pick orders we have lost the opportunity to ship those products. Our system is rock solid and each time we have needed to shut down it has come back perfectly with full data integrity across all transactions.

"Our initial view that SAP solutions could only be used by large bureaucracies has changed and we have proved that small business can rapidly implement SAP. Using Supply Chain Consulting's SLIM solution our focus has moved from managing IT problems to dealing with the real business challenges and knowing that we have the right systems in place to handle the changing demands of our customers."

SLIM Solution

Supply Chain's SLIM solution is a fixed cost, purpose-built SAP solution designed for quick and easy deployment in small and mid-size (SMB) wholesale distribution companies. The solution is developed to help business improve their results by providing the critical sales and marketing, supply chain and customer service functionality.

About Supply Chain Consulting

Supply Chain Consulting is a premier provider of SAP services and solutions in the Asia Pacific region. Supply Chain Consulting offers a range of services, from business analysis to system integration and support, as well a number of qualified mySAP™ All-in-One solutions. The company has performed over 300 SAP implementations and more than 80 upgrades.



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