



EMPR AUSTRALIA

MASTER PARTS RESELLER FINDS A BETTER WAY TO DO BUSINESS WITH SAP® SOFTWARE

QUICK FACTS

Company

- Name: EMPR Australia Pty Ltd
- Headquarters: Wetherill Park, Sydney, Australia
- Industry: Wholesale distribution
- Products and services: Computer parts reseller
- Revenue: \$A15 million (US\$12.9 million)
- Employees: 35
- Web site: www.empr.com.au
- Implementation partner: Key Business Solutions Pty Ltd

Challenges and Opportunities

- Gain insight into cash flow and financials on as-needed basis
- Reduce time and costs for preparing quotes
- Increase quality and efficiency with more accurate and accessible data

Objectives

- Develop single source of financial and parts inventory data
- Implement real-time access to accurate data
- Automate quote and purchase order processes
- Integrate multiple applications into a comprehensive solution

SAP® Solution and Services

SAP® Business One application

Implementation Highlights

- Close working relationship with SAP partner
- Rigorous implementation methodology with extensive piloting and user acceptance testing

Why SAP

- Complete solution to meet all business and technical requirements
- Maturity of software and record of continuous development
- Best-of-breed functionality and leadership in business solutions
- Tight integration with 3rd-party applications

Benefits

- 100% data accuracy
- 50% reduction in sales and purchase order administration time
- 40 hours per month savings in financial reporting

Existing Environment

Arrow accounting financial software

“SAP Business One has shown us a better way to do business.”

Ben Holmes, IT Director, EMPR Australia Pty Ltd

EMPR[®]
A U S T R A L I A

SAP Customer Success Story
Wholesale Distribution



EMPR Australia Pty Ltd, headquartered in Wetherill Park, southwest of Sydney, strives to deliver the fastest service possible to its clients. By reducing lead times on genuine parts distribution, the company has developed a reputation for quick, reliable service. But inefficient legacy systems were slowing down key processes for customer quotes, parts ordering, and financial reporting, which affected the company's ability to serve its customers efficiently.

By implementing the SAP® Business One application, EMPR has gained a comprehensive solution that will reduce the time needed to prepare sales and purchase orders by 50%, provide instant insight into financials, and save 40 hours each month in the preparation of comprehensive financial reports. "SAP Business One has shown us a better way to do business," says Ben Holmes, IT director at EMPR.

Success Based on Responsive Service

EMPR supplies parts, accessories, and consumables to a broad range of clients including computer resellers, corporations, government agencies, and home users in Australia. The company is a master parts reseller for the Hewlett-Packard Company, Toshiba Corporation, and ASUSTek Computer. "Responsiveness is the key for us. We can get just about any part into the customer's hands within a business day – and with no additional delivery fees. We consider the fastest service possible to be standard business for our company," says Chris Russell, operations director at EMPR.

Since its inception in 1997, EMPR has grown quickly and has expanded into New Zealand with an operation in Christchurch. As a result, the logistics required to support its customer base have become increasingly complex. The company sources inventory for more than 200,000 items, with purchases made globally. For the most frequently ordered items, EMPR maintains approximately 17,000 parts in its warehouses. Call volume is approximately 5,000 calls per month, with 150 to 200 orders received each day. Its online business is also a key source of revenue, with 60% of business now generated through the EMPR Australia Web site.

Batch System Impeded Business Efficiency

With business growing, EMPR's legacy financial system was proving a bottleneck. At the time of its implementation, the batch-driven system was sufficient for managing day-to-day operations and financials. However, as EMPR expanded its offerings and customer base, the system became increasingly cumbersome, leading to major delays in information availability.

"We simply did not have timely access to information. Quoting was a slow process, and to assess our financial condition we were forced to wait for the financial month-end report, which impacted our ability to forecast accurately," Holmes explains. When preparing a quote, the sales team needed to access multiple applications for a full picture of inventory data. This lengthened phone and administration time, which made the staff reluctant to produce detailed sales orders for customers. Data integrity was also difficult to maintain, affecting EMPR's ability to provide accurate stocking information on its Web site or over the phone.

The company decided it needed a more responsive system that would produce accurate, real-time information. Russell and Holmes identified several goals for a new solution. At the top of the list was insight into cash flow and financial condition at any point in time, not just month end. With more efficient quoting, EMPR could not only cut administration time but also improve customer support, as sales staff could spend more time providing customers with information and offers. The company also wanted to improve the quality of service through greater data integrity, which would increase the accuracy of quotes, inventory levels listed on the Web site, and financial analysis.

SAP Meets an Extensive List of Requirements

Holmes developed an extensive list of technical requirements to meet these goals – from integration with third-party systems and office applications,



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Ben Holmes, IT Director, EMPR Australia Pty Ltd

consolidated data with real-time access, and multicurrency support to a user-friendly interface, security, and an SQL database that would support all of the Web site customizations. “We found that SAP Business One was the application that could best meet all these needs,” Holmes says. “The software is easy to use and was developed specifically for businesses of our size. It gives us the capability to manage the company across sales, distribution, and financials with a complete, integrated real-time view of information.”

“We see SAP Business One as the way for us to take our business to the next level. We have no question that SAP has got what it takes for us to grow and progress.”

Chris Russell, Operations Director,
EMPR Australia Pty Ltd

EMPR also wanted a proven solution, and Holmes is impressed with SAP’s continuous improvements to the SAP Business One application. “We have seen many enhancements in just the short time we have worked with SAP. The commitment to development is obvious, and this gives us confidence that we are partnering with a software leader that will continue to deliver best of breed,” he notes.

EMPR’s solution includes SAP Business One, CitiXsys Inventory Pro for warehouse management, and Valogix for consumption forecasting. EMPR is also

using the Boyum B1 Usability Package, which has helped the company quickly create user-defined fields and customize the interface. Because these third-party applications are so tightly integrated with SAP Business One, EMPR has gained a very efficient solution for managing its complex processes, such as consumption ordering. Valogix generates a consumption forecast, which can then be converted automatically into a purchase order through SAP Business One. “Consumption forecasting and weekly ordering are critical for us,” Russell explains. “What has been a cumbersome manual process, requiring many hours and resources, is now quick and easy, which means we can better manage our inventory and make sure stock is available for our customers. In the high-demand, tight-resource world of parts, generating purchase orders so rapidly gives us an edge.”

A Close Working Relationship

To guide the implementation, EMPR chose Key Business Solutions Pty Ltd, an SAP channel partner specializing in consulting, development, installation, and support for SAP Business One. The company appreciated the fact that while Key Business Solutions serves large corporations, it is also experienced with the needs of small businesses. “We wanted to use an SAP partner that is servicing companies like ours. Key Business Solutions has a proven track record with similar-sized businesses, which made us comfortable that it would understand and address our unique needs,” Russell says.

The working relationship has been a close and successful one. Key Business Solutions has stepped the EMPR team through every aspect of SAP Business One, including loading files, setting up approval processes, testing purchasing and multicurrency transactions, and creating customized reports. EMPR is now conducting rigorous user-acceptance testing. “We have the production database ready and have piloted everything to make sure it is all working correctly. The results have been outstanding, and we are quite confident that we have chosen the right application to meet our immediate needs as well as help us grow the business,” Holmes says.

Getting It Right with SAP Business One

Russell and Holmes see a bright future for EMPR with SAP Business One. “Now, we will have all the data in one place, which means our sales representatives no longer have to switch applications when talking with customers. As an added benefit, we know the data will be 100% accurate,” says Holmes. EMPR expects the amount of administration time for preparing sales and purchase orders to be cut by 50%. Real-time access to financial data will provide instant insight into cash flow, and the company predicts a savings of 40 hours per month in month-end financial reporting.

In addition, EMPR can now effectively support all of the customizations to its Web site, while gaining assurances that the data presented to online customers

is accurate. Updating stocking information on the Web site used to take hours – now it takes just three to five minutes. EMPR will also maintain a client activity history in SAP Business One, which will improve its ability to more effectively target sales and support to each customer.

“With SAP, we can now improve in so many areas, both internally and in our relationships with clients. We will be able to quote more accurately, improve online ordering, instantly know the status of orders and payments, and quickly complete purchase orders – in other words, get it all right the first time,” Russell comments. The move to SAP Business One has also solidified EMPR’s relationships with its business partners. The company has been keeping its partners informed of the move to the SAP application, and reaction has been very positive.

Once the implementation is complete, EMPR plans to look at additional ways to integrate SAP Business One into its core business processes. Holmes and Russell are also excited about the possibility of working closely with SAP and one of Australia’s largest banks, which would enable them to process credit card orders more directly. Russell sums up the company’s view of SAP: “We see SAP Business One as the way for us to take our business to the next level. We have no question that SAP has got what it takes for us to grow and progress.”

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