

## SYSPRO Case Study

# Epicentre Trading

Leading Promotional Products Company



### AT A GLANCE

#### INDUSTRY

Distribution - Promotional Products

#### PRODUCT

SYSPRO ERP - Financial Modules

#### CHALLENGE

To provide an integrated solution that captures information from quoting to dispatch - to replace the time-consuming, functionally limited Excel spreadsheets and manual processes being used.

#### SOLUTION

70 users from finance, management, sales, marketing, order entry and purchasing utilise SYSPRO to better manage the business. Customers also access SYSPRO through Epicentre's website to review account status; place orders; and obtain information.

#### RESULTS

- ▶ Reduced quoting time by 70%.
- ▶ Reduced order entry time by 50%.
- ▶ Reduced time taken to produce month-end financial reports by 60%.
- ▶ Increased capacity enabled Epicentre to absorb significant business growth with no additional staff requirements.
- ▶ Identification of unnecessary / over-complicated processes enabled Epicentre to "reduce complexity" through the whole business.
- ▶ Analysis of "real-time" numbers with daily data updates – vastly improved from previously having to wait 8 days after month-end to analyse the previous month's numbers.

"SYSPRO enables us to analyse our clients more accurately. Better profitability and cost of sales analysis enables us to offer incentives that we couldn't previously. We're operating more efficiently and it's helped us become more competitive." Mark Bunt, General Manager - Epicentre

## Leading Promotional Products Company Achieves Significant Efficiency Gains and Improves Customer Satisfaction with SYSPRO

#### About Epicentre

Epicentre is a leading Australian provider of promotional products including headwear, bags, jackets, aprons, towels, robes and other custom-designed and made products. Epicentre's products are sourced from China, imported to Australia and embroidered (decorated) with customer's logos or specific designs at one of two local factories.

Epicentre sells through distributors, specialist promotional companies or independent marketing companies servicing niche markets. Its customer base exceeds 3,000, ranging in size from huge multi-nationals, down to privately owned businesses with one or two employees.

Epicentre consistently satisfies the needs of its customers by offering superior products and providing excellent service – helped by the implementation of an ERP solution from SYSPRO.

#### The Need for an Integrated Solution from Quote to Dispatch

Epicentre recognised the need for a fully integrated solution to provide complete control over order-fulfillment - from quote to dispatch, including finance. It also needed a real-time view of the business based on a single version of the truth – in order to effectively manage expected growth.

Mark Bunt, General Manager for Epicentre said "We were using Excel and independent systems to manage different aspects of the business. We couldn't accurately link costs with individual orders; obtaining historic information was difficult; and getting consolidated information about a customer or order was near impossible."

The process was time-consuming and Epicentre knew a fully integrated solution was the way to gain a better understanding of the business cost drivers. "We needed a robust solution that could be added onto – something that was more accommodating to CRM and reporting and would help us cope with the expected growth of the business," continued Bunt.

*“SYSPRO has enabled us to reduce our quoting time by around 70%. It provides visibility of imported goods while facilitating the control of associated costs. We can now cost independent designs quickly and accurately - with the confidence that our costings are correct. We can also pass significant discounts onto our customers that previously we weren't sure we could afford.”*

#### **SYSPRO Selected from Four Potential Suppliers**

Epicentre selected SYSPRO in 2004, after identifying four potential suppliers with PRONTO as the major competitor. SYSPRO Software's Enterprise Resource Planning (ERP) is a single integrated suite of distribution/logistics, manufacturing and financial solutions that provides Epicentre with complete control over; and a real-time view of different parts of the operation based on a single database.

SYSPRO's fully integrated solution enables tracking of items from the source to the end location and identifies all cost elements along the way, providing a more accurate way to determine exactly where costs belong.

In selecting a supplier, it came down to the people and their business acumen. SYSPRO's ability to accommodate the expected growth and locally support Epicentre if it chose to take the business to other regions like China were also major considerations.

Whilst Bunt felt the systems were technically similar, the evaluation team selected the team they thought could deliver results. Bunt said, “We gave each potential supplier a problem and SYSPRO very quickly came up with a solution to an extremely complicated part of our business – they showed an understanding of our business that exceeded our expectations by far.”

#### **What's Different at Epicentre?**

Epicentre has 70 internal users of SYSPRO covering Finance, Management, Sales and Marketing, Order Entry and Purchasing; as well as external customers.

Bunt said, “SYSPRO has enabled us to reduce our quoting time by around 70%. It provides visibility of imported goods while facilitating the control of associated costs. We can now cost independent designs quickly and accurately - with the confidence that our costings are correct. We can also pass significant discounts onto our customers that previously we weren't sure we could afford.”

Changes to the order entry process have meant significant efficiency increases. Prior to SYSPRO, it could take up to six months to train a new customer service person on the order entry process. With SYSPRO's user-friendly screens, the effect says Bunt is “a new person is fully operational on standard orders within 1 week. We've reduced the order entry time by 50% which has meant we've significantly increased capacity.” This has enabled Epicentre to absorb growth without additional staff requirements.

Epicentre has also experienced significant cost avoidance – by automatically capturing information that was previously entered manually. Whilst less people are required to process orders, these resources have been allocated to better servicing customers. Customers can also access SYSPRO through the website to place an order or gain up-to-date information on their sales history or order progress, providing a significant competitive advantage.

Since the speed to market has improved dramatically and customers have access to a range of information that previously took ages to provide (or couldn't be provided), customer service levels have improved. Bunt said, “The order entry process is vastly improved. We can gather and retrieve information for repeat orders quickly, which we couldn't do before. We can also quickly and

easily understand a customer's order progress, or they can look it up themselves with a web browser.”

SYSPRO also identified a significant amount of what Bunt refers to as “leakage” or errors in business processes. SYSPRO collects a significant amount of data which can be reported on, so inventory control has also improved - with stock holdings now in tune with sales. The Forecasting module provides an easy-to-use sales demand forecast management tool. Based on history and predefined algorithms, it suggests future stock replenishment, with the option of removing ‘outliers’ (unusual historic variations in demand), and enables manual adjustment to the history. A set of reports, both tabular and graphical are provided in a format that allows for easy reference or delving into more detail.

This again assists with improved customer satisfaction because sales can meet orders quickly, and unnecessary capital isn't tied up in stock that isn't moving quickly.

SYSPRO has also helped automate shipping, with the ability to consolidate orders on one invoice, or multiple deliveries on one order or across multiple orders. It's the flexibility of the solution that provides Epicentre with the most benefit.

SYSPRO's purpose-built solution for the custom side of Epicentre's business enables independent designs to be costed quickly and accurately. Previously, this manual process took approximately 3 hours for each quote (excluding often having to wait overnight, or longer, for Chinese contacts to come back with costs). Now, for simple designs a quote is completed in 10 minutes, with more complex design quotes being completed in less than an hour.

#### **Return on Investment**

Bunt says the ROI is “mind-boggling” with the system paying for itself within 18 months. With China opening up, Epicentre's business is becoming increasingly competitive, since larger clients and end-users can go direct. Bunt commented, “SYSPRO enables us to analyse our clients more accurately. Better profitability and cost of sales analysis enables us to offer incentives that we couldn't previously. We're operating more efficiently and it's helped us become more competitive.”

Epicentre's rapid growth can be attributed to its continued strategic innovation and quality of product and service. Although, Bunt said, “SYSPRO has certainly helped us – by improving our speed to market with a more efficient order processing mechanism.”

From a financial reporting point of view, a full set of financial accounts are finalised within 3 days of month-end – this has reduced by more than 60% (from 8 days prior to SYSPRO). The time saved means appropriate staff spend more time analysing information, rather than putting it together. Bunt commented, “We're performing better analysis. The data is updated every day so we're analysing real-time numbers which is a vast improvement on having to wait until 8 days after month-end for final numbers.”