



PLUM PRODUCTS

DELIVERING GREATER SERVICE AND VALUE TO MAJOR RETAILERS WITH SAP® SOFTWARE

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Jonathan Schaffer, Managing Director,
Plum Products Ltd

QUICK FACTS

Company

- Name: Plum Products Ltd
- Location: Woking, England
- Industry: Wholesale distribution
- Products and services: Leisure industry products
- Revenue: £12 million (approximately US\$22.2 million)
- Employees: 40
- Web site: www.plumproducts.com
- Implementation partner: Yuma Ltd

Challenges and Opportunities

- Eliminate manual order and fulfillment processes
- Increase sales accuracy and delivery timeliness
- Reduce fulfillment costs
- Provide customers with greater ordering convenience
- Improve productivity to reduce staffing costs

Objectives

- Provide a unified view of inventory across the organization via a single database
- Implement Web site to enable online ordering by trade accounts

SAP® Solutions and Services

- SAP® Business One application
- Tools from SAP for deploying Web sites

Implementation Highlights

- Fully integrated sales and warehouse implementation in 4 months
- 30,000 visits to Web site in 1st 6 weeks

Why SAP

- Single-vendor solution for unified database and Web site
- Tight integration with 3rd-party warehouse management system (WMS)
- Appropriate solution for requirements and size of company
- SAP leadership in solutions for growing business
- Customizable to meet business needs

Benefits

- Fulfillment time reduced 60%
- Online orders filled in 1 day
- Seasonal staffing eliminated
- ROI in 1 year
- Shorter average handling time for service calls

Existing Environment

- Sage Line 50
- Maximizer CRM
- Microsoft Excel spreadsheets



Getting orders out the door was proving to be a real challenge for Plum Products Ltd. With a large and growing client base of major retail stores, the wholesale distributor was struggling with a hodgepodge of isolated systems and spreadsheets for sales, ordering, and warehouse operations.

Jonathan Schaffer, managing director of Plum Products, comments on the business imperative: "For us, it's always been about performance. We were determined to raise the quality of service we delivered to our customers. Unfortunately, our systems just weren't up to the task."

SAP® software has transformed Plum Product's sales and warehouse management operations with an application that enables a unified, real-time view of product inventory; streamlines sales, order processing, and fulfillment processes; and opens new avenues for growth.

Manual Systems Impede Sales and Fulfillment

Plum Products is a major distributor of play, garden, barbecue, and sports equipment for many of the largest retail franchises as well as Internet retailers and more than 500 independent stores and garden centers in the United Kingdom. In 2005 Plum purchased a 70,000-square-foot distribution center to house its more than 2,000 active products. Initially, the company managed sales, order processing, and warehouse operations with several discon-

nected applications, including Sage Line 50, Maximizer CRM, and Microsoft Excel spreadsheets. The problems started immediately. "We quickly found out that we could not continue to manage our business with these isolated, manual systems. A more sophisticated solution became a must," says Schaffer.

Sales staff lacked visibility into current inventory, making it impossible to know if an order could be filled right away. Staff members were repeatedly quoting on stock that was not on the shelves, and orders were often misplaced or duplicated. In the warehouse, picking products was time-consuming and error prone, resulting in slow fulfillment and incorrect shipments that incurred costs to recover and reship merchandise.

Quality Service Demands Real-Time Inventory Data

Plum identified two key business goals for its initiative to improve sales effectiveness, warehouse efficiency, and customer service. First, it needed complete, real-time visibility into stock levels to know the exact level of current inventory. This would allow sales staff to quote accurately and shorten the time from order taking to fulfillment. Second,

the company needed to reduce time, costs, and error rates for picking, packing, and shipping orders.

Plum identified another goal to increase its value to customers. "We see quality of service as our real differentiator. We knew that customers were interested in easier ways to place orders, so we wanted to develop a Web site for online trade accounts that would simplify and speed up the ordering process," Schaffer explains.

To meet these goals, Plum initially focused on implementing a warehouse management system (WMS). However, as Plum studied the technical requirements, it became clear that integration with the existing Sage system would be a significant challenge. "To achieve the level of visibility we wanted, we needed a more integrated approach. A system capable of integrating data across our business units was the way to go," Schaffer says. Plum also wanted the project to take into account the planned Web site as online ordering would require real-time access to inventory levels as well.

SAP Delivers the Total Package

Plum considered several solutions, including applications from Microsoft and Epicor. SAP proved the right choice for multiple reasons. "SAP was the only company that could enable front-end visibility into back-end data through an integrated database, as well as provide the tools for building a Web site," says Schaffer.



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Plum also appreciated the fact that the SAP Business One application provides intuitive business management software specifically for small businesses, which could be readily customized to fit Plum's specific business requirements. Technology and industry leadership were equally important considerations. "We wanted a future-proof solution and a company that would stay at the forefront. SAP meets these requirements," says Schaffer.

The complete solution includes SAP Business One, tools from SAP for deploying Web sites, and Accellos WMS Powered by Radio Beacon (commonly

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referred to as Radio Beacon). Initially, Plum was concerned about the integration between SAP Business One and Radio Beacon, but after consulting with several UK system integrators for SAP, the company concluded that the combined solution was the right choice. "The integration looked tight. We were confident that we could gain the transparency of data we wanted," Schaffer notes.

Implementation in Less than Four Months

Plum Products selected Yuma Ltd as its partner for the implementation because Yuma has extensive experience integrating SAP Business One with third-party products. Yuma, a gold-level SAP channel partner, focuses on supplying SAP Business One applications along with relevant products and services. The implementation started in October 2006 and was live within three and a half months, including the front-office and warehouse functions. Currently, 30 Plum employees use SAP Business One.

In the spring of 2008 Plum deployed its Web site for trade accounts using the SAP tools. Because the site is fully integrated with the inventory database, customers can order online using current stocking information, view product and account details, check order status, download instructions, and receive special offers. In the short time the site has been live, it has proven quite popular. More than 30,000 unique visitors came to the site in the first six weeks, and Plum has gained several new customers. The site was also named as a

finalist for the Garden Industry Manufacturers Association's "Best Suppliers Information Web Site."

Order Completion Is 60% Faster with No Additional Staff

Plum Products has realized multiple benefits from its SAP solution. With data transparent across the business, order fulfillment is more accurate and deliveries are faster. Schaffer speaks with pride of the improved service to customers: "It used to take us about five days to complete an order. Now, we average two days, so our ordering and fulfillment processes are 60% faster. We now deliver more parcels, faster, and more efficiently – and with fewer people." Schaffer continues, "And with the new Web site, we can do even better as we can capture and send orders straight through to the warehouse where they can be processed and delivered within the same day."

Plum has experienced a measurable increase in productivity with a complementary reduction in overhead and salary costs. Because retailers are buying smaller volumes of products more frequently, the company has seen a significant increase in orders. With the software, order picking is now highly efficient, allowing Plum to complete more orders without adding staff and eliminating what used to be the major bottleneck in the order-fulfillment process. Schaffer estimates that the company has reduced staffing requirements by 12, and it no longer needs to hire seasonal workers for the peak summer

season because fulfillment is so much faster. "We are very pleased with the results of our SAP implementation and have achieved payback within a year for the complete solution," he says.

In addition, customers are experiencing more efficient service because Plum's staff can access information so much more easily. "Customer service calls are now much shorter, because our representatives have all the information at their fingertips. They no longer have to dig around in the software to find the right answer, which means they deal with queries more quickly, and we need fewer people to answer more calls," Schaffer explains.

Plum Products will continue to expand its use of SAP software. Plum is looking to SAP functionality to help it enter new markets and trade efficiently overseas. The company sees a major opportunity to reach markets in Europe, the United States, and the southern hemisphere. To meet the needs of these

customers, Plum plans to provide multi-language support on its Web site as well as manage stocking and invoicing in different currencies and countries. Other plans include optimizing the Web site to improve ranking and visibility. Plum will use tools from SAP for deploying Web sites to develop a second site for retail customers, which will provide another new avenue for revenue and growth. Plum expects to continue customizing the software to support such functions as bills of material, as well as to develop more comprehensive reports.

Schaffer sums up the value of the SAP implementation: "We were unable to manage our business easily with Sage. Now, with SAP, we have efficiently extended the quality of our offerings and services to our customers. We look forward to expanding our use of SAP software to meet our goals for growth and satisfy our customers' needs."

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