



VECTOR

Vector Systems captures global market with SAP Business One and REALTECH

At A Glance

The Challenges

- ⊙ Spent too much time with manual purchase orders;
- ⊙ Lack of up-to-date visibility into inventory;
- ⊙ Limited functionality of their (then) current financial solution.

The Solution

- ⊙ SAP Business One
- ⊙ REALTECH implementation services
- ⊙ REALTECH on-going technical support

Key Benefits

- ⊙ Provides a competitive edge by streamlining the manufacturing process;
- ⊙ Enables Vector to compete favourably in a global market;
- ⊙ Automates purchase order generation saving days of work;
- ⊙ Provides up-to-date inventory information for more efficient ordering;
- ⊙ Provides a flexible platform for future growth.

Auckland-based Vector Systems designs, manufactures and exports leading-edge machines from New Zealand to the world. These machines, which produce shaped panels with non-linear edges and rounded corners, carry a US\$ 250,000 price-tag. Yet Vector Systems has only two full-time staff, two part-timers and a small number of contractors. How do they compete successfully on a world stage, bring in valuable export earnings and maintain such a low foot-print?

Through ownership of intellectual property, superb planning, efficient operations and a lot of business brainpower. And to help them manage their finances, automate their parts ordering process (each machine requires more than 2,500 separate components and sub-assemblies) and track their inventory, they have selected SAP Business One as their enterprise resource planning / financial solution and REALTECH as their implementation partner.

“We’re in a global marketplace dominated by companies with billions of dollars worth

of sales,” says Duncan Such, owner, chief-designer, lead-assembler, sales director and finance manager of Vector Systems. “To compete successfully, we have to do everything faster, better and less expensively. We are actually a small business yet, by working efficiently, we can have an impact on the international market. And our financial systems have to be able to keep up.”

“We try to squeeze every bit of value out of our resources,” says Such. “I’ve been using MYOB for financials since 1991 and have been very happy with its performance. But, since starting Vector Systems six years ago, we had pretty much used every single feature of the programme and needed more functionality, especially with automating purchase orders from our suppliers and managing our inventory. So we were in the market for an upgrade.”

Highly recommended

Such knew a lot of people in the industry and asked around. “Someone whom we respected mentioned that the combination

of SAP Business One and REALTECH had helped their business,” says Such. “So we called up REALTECH, gave them a brief rundown on what we were after and asked for advice.”

“Our requirements were quite specific,” continues Such. “We utilise a 3-D CAD package - Solid Works - for design and manufacture. Every time we get an order, we design the machine to the client specifications. When the design is complete, Solid Works generates a comprehensive schedule of materials, around 1200 line-items. Not only does Solid Works contain information about the component itself, but we’ve set it up so that ordering information is included as well. We wanted to be able to export this data into a spreadsheet and then feed it directly into SAP Business One, if possible, and then have the new system generate purchase orders for each component. This task, while not especially difficult, is extremely time-consuming and eats up a lot of my time when I could be working on much more important tasks as we set up the assembly.”

“Secondly,” he says, “we needed better visibility into our inventory. Our contract warehouse and trans-shipment depot is in Taranaki and, since we are based in Auckland, we couldn’t see at a glance what components were in stock and which ones we needed to order. With some of the components, it makes sense to order more than one at a time to save shipping and

speed things up. We needed a system that could track these things.”

Specific requirements

“Duncan is a man who knows exactly what he wants,” says Tim Charman, Business Development Manager at REALTECH. “As befitting his technical background, his requirements were well-laid out and he had very specific questions down to the last detail. We listened to his requests and then set up a demonstration that proved the point that a tight integration between Solid Works and SAP Business One wouldn’t be an issue, that SAP Business One could generate automated purchase orders and that we could retain almost all of the business processes that he had set up inside MYOB.”

“We liked what we saw,” says Such, “and made the decision to upgrade to SAP Business One with REALTECH as our implementation partner.” The team from REALTECH and Duncan completed the implementation earlier this year.

Fast results

“Already the SAP solution saves me at least two days of paperwork on each machine that we’ve built since implementation,” says Such. “This frees up my time for sales and marketing. I’ve just returned from a successful trade show in America and our distributor expects to see an increase in orders. With SAP Business One, we can fast-track the parts ordering process, negotiate the best terms and ensure that we have

enough components on hand for the anticipated orders. Plus we can track costs much more efficiently. This is what we wanted from SAP Business One and this is what we have.”

As Vector Systems expands, they expect to increase their reliance on the capabilities of SAP Business One. “SAP has a lot of features that we will be able to take advantage of as we move forward,” concludes Such. “The team from REALTECH has provided excellent support and has helped us set up the system so that it is running quite smoothly. We are just scratching the surface in respect to how we can best utilise SAP Business One at Vector as we expand our export volumes and are confident that REALTECH can provide all of the support we’ll require.”

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About Vector Systems

Vector System designs, manufactures and exports ‘The VECTOR Revolution 180’, a machine that produces shaped panels with non-linear edges and rounded corners. The contour edge-bander represents a breakthrough in panel processing technology by using a simple but sophisticated means of sensing the shape of a panel and writing its own programme as it progresses. With an impressive overseas reputation and an expanding number of international distributors and customers, Vector is one of the growing number of Kiwi businesses that is driving an IP (intellectual property)-driven export culture within New Zealand.

For more information visit www.vectorsystems.co.nz.

