



SHISEIDO

Shiseido gets more for less with REALTECH and SAP Business One

Shiseido is a leading manufacturer, wholesaler and distributor of cosmetics and hair care products. With its headquarters in Japan, this cosmetic giant has wholly owned subsidiaries around the world, including New Zealand and Australia. Shiseido cosmetics were manufactured in New Zealand for local markets until 2008. Today, the New Zealand company employs around 50 people and shares a managing director with Shiseido Australia.

The challenge

In Japan, Shiseido have implemented the large enterprise SAP ERP solution for information management. Both global visibility and global standardisation business operations are essential in order to achieve global optimization. To enhance their global efficiency, in the case of Asian/Oceanian subsidiaries, the time line to apply Global Information Systems was from 2010 onwards. or upgrade their current systems to ensure full integration with SAP ERP. Shiseido NZ was operating a dated, complex and expensive non-SAP integrated information system; a legacy of their manufacturing days.

While SAP ERP would offer clear benefits, for a company the size of Shiseido NZ, it amounted to a very significant investment. None-the-less, they were keen to bring the company into the 21st century. Orders from large clients like Farmers, for example, were arriving electronically but had to be manually keyed into Shiseido's systems. A new solution with the power to communicate with clients and with Head

Office in Japan would certainly improve efficiency and reduce costs, both locally and globally.

The solution

Recognising the importance of an efficient and cost effective implementation, Shiseido NZ selected the expertise of REALTECH.

"I had confidence in REALTECH. I really felt they were working for Shiseido and would find the best solution for us", says Annwyn Buchanan, MIS/IT Manager, Shiseido NZ.

After initial discussions, REALTECH quickly identified the opportunity to exceed Shiseido's requirements with a more economical SAP solution.

REALTECH Sales Manager, John Showell explains: "After considering their immediate requirements and longer-term business plans, we presented two options. We could either continue with the idea of an SAP ERP installation or choose SAP Business One, which is designed to suit a business their size."



SAP Business One

SAP Business One is a powerful business management solution designed for small to mid-size organisations. It offers a lower cost of ownership and accelerates return on investment by including pre-loaded reporting functions and business capabilities. The e-commerce module, for example, allows customers to place orders through the company's website and the CRM module provides valuable insights into customer activity.

Shiseido NZ's new operational strategy required several key capabilities:

- ⊙ Automated electronic data interchange (EDI), with their larger clients.
- ⊙ E-commerce capability – a further extension of the company's strategic policy of using technology to grow sales, improve productivity and reduce costs.
- ⊙ CRM to build and enhance client satisfaction.
- ⊙ Salesforce automation to reduce time-consuming paperwork and deliver up-to-the minute sales information to a mobile salesforce.
- ⊙ Accurate warehouse management using barcode technology.

Investing only where it's needed

To ensure full support for Shiseido's strategy, REALTECH recommended extending SAP Business One's capability in a few specific areas. This would be achieved by adding two modules, Neotek and Accellos, which are both designed to integrate with SAP Business One.

- ⊙ Neotek is a sales-focused technology solution which includes EDI, salesforce automation and e-commerce capabilities.

- ⊙ Accellos would provide Shiseido with barcode-driven warehouse management that communicates directly with SAP Business One.

With this approach, Shiseido was able to target their investment to where it was needed and avoid the ongoing costs of owning capabilities they may never use.

Customer experience

SAP Business One and Neotek (EDI component) were installed on schedule and Shiseido chose to train and test with partial data before running parallel systems for one month to fully test the new solution.

"I think it has gone very well. SAP Business One is what I expected it to be and REALTECH delivered all that they said they would." says Annwyn. SAP Business One ensures Users adopt good business practises and processes.

All our product is now imported and Pat Abercrombie, Inventory Management/ Logistics Support who is responsible for all imports and import costings loves SAP Business One because it's user friendly. It allows her to do the shipping costings directly in SAP Business One instead of an excel spreadsheet. Things like duty and currency exchange formats are really easy," explains Annwyn.

The accuracy of the orders delivered to Shiseido's New Zealand clients has improved considerably. Their error rate has halved and Annwyn puts the immediate improvement down to the warehouse staff having better information to work from together with their enthusiasm and commitment to work and learn a new system. .

She explains: "The new despatch order is clear and easy to read, plus we can now show the available stock beside each item. So if the staff can't find something initially, they have the confidence to continue

looking rather than assume it's out of stock."

Shiseido are using SAP Business One's HR module to securely manage information on their retailers. This includes things like beauty consultants' training completion, commission history, bank details and whether they are currently employed on sales counters.

Next steps

Shiseido is completely redesigning their approach to warehousing. Their staff are keen to start using Accellos, a warehouse management system with an RF bar-coding system. This will be configured and implemented to support the new processes once they're finalised.

The e-commerce module will be implemented once images of every product and product variation have been added to the website and a test environment with a Retail Business Partner has been carried out to ensure the website meets our customers needs and requirements.

When the secure website is available, Retailers will be able to place their orders online, view product information and provide the ability to download financial information eg. invoices and statements.

"We're delighted to have helped Shiseido NZ achieve their forward thinking ideas and save money along the way. And we've already begun installing the same system for Shiseido Australia", says John Showell, Sales Manager, REALTECH.

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