REALTECH Ltd
P O Box 8300 ■ Symonds Street ■ Auckland 1150
P: +64 9 308 0900 ■ F: +64 9 308 0909
info@realtech.co.nz ■ www.realtech.co.nz

VITAG

Vitag secures significant savings with SAP Business One and REALTECH

At A Glance

The Challenges

- ⊙ Vitag had outgrown it's previous financial system;
- ⊙ Lack of visibility into inventory and logistics;
- ⊙ Lost revenue due to lack of complete warranty / upgrade data;
- ⊙ Inefficient procedures for managing customer pricelists and margins.

The Solution

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

Key Benefits

- ⊙ At least $100,000 in bottom-line savings estimated in the first year alone;
- ⊙ More effective decision-making based on increased confidence in customer data;
- ⊙ Built-in 'prompts' ensure that warranty and service calls are billed correctly;
- ⊙ Transformed enterprise databases into corporate assets.

Vitag, one of New Zealand's leading end-to-end providers of comprehensive shop security solutions, offers the country's largest range of Retail Loss Prevention Security Tags, Merchandise Security and Closed Circuit Television (CCTV) systems to retail sectors including fashion, consumer electronics, pharmaceutical and building supplies. It is a fact that loss prevention measures result in significant improvements in the bottom line.

Similarly, the adoption of SAP Business One by Vitag, as supported by solution provider REALTECH, will, according to Vitag Managing Director Doug Todd, provide at least $100,000 worth of savings in the first full year of implementation due to improved billing procedures, more accurate data and tighter control of inventory.

"SAP Business One has given us a framework to standardise our business procedures, significantly improve the quality of our databases and upgrade our entire operation," says Todd. "The team at REALTECH has provided expert implementation services and helped us

extract maximum value out of the system with as little customisation as possible. As a result, 80% of our team now use SAP Business One on a regular basis to run virtually every aspect of the business."

Steady growth

Since its establishment a decade ago, Vitag has been consistently growing both its product lines and customer base. "When we started we adopted MYOB for our financials and to help us establish our business processes," continues Todd. "As the business grew, we found that we had outgrown the solution and had requirements that MYOB could not support, especially in the areas of inventory. We were in the position of making too many compromises in respect to good business practice."

On a visit to their sister organisation in Australia, Todd saw first-hand how well SAP Business One could help their enterprise. "Vitag Australia had recently implemented SAP Business One and they were enthusiastic about its capabilities," he says.

"SAP Business One supported all of their current needs yet still had more capabilities for future functional requirements. So we made the strategic decision to implement SAP Business One in New Zealand. The next step was to select an implementation partner."

Vitag prepared and issued an RFP for the solution itself and implementation services. "We invited two SAP business partners to bid on the project," says Todd. "It was really no contest. The team from REALTECH clearly believed in the product, they were very fast in their responses and they were extremely professional in their presentations and demonstrations. They were able to recognise our particular requirements quickly and crafted their proposal accordingly. Plus, their track record for successful implementations was impressive. It was an easy decision to select REALTECH."

Rapid implementation

REALTECH has developed a 'rapid implementation methodology', built around a library of pre-defined routines and workshops that enables organisations to quickly tap into the benefits of SAP Business One. Each workshop focuses on a particular aspect of SAP Business One - for instance Finance, Inventory or Purchasing - and involves the decision makers at the outset for their input into system design.

"The workshops with Vitag," says Tracy Neal -Gailer, Senior Consultant at REALTECH, "helped us identify the key business issues and ensure that they received benefits in a timely manner. We were very fortunate in the fact that Doug had blocked out a couple of months to manage the implementation process, especially in cleaning up the customer and product databases. Often, as businesses upgrade their software, issues with database accuracy and completeness can become problematic. But with Doug's supervision, Vitag was able to enhance their

customer and product databases and turn what was once a challenge into a corporate asset."

"We checked more than 1200 customer records and 100,000 individual Excel spreadsheet cells during the data transfer process," says Todd. "We kept what was correct, entered what was missing and added information that was not supported under our previous system. We now have complete confidence in the data and can make more informed decisions."

Minimal customisation - maximum returns

"We were looking to get up and running with as little customisation as possible," says Todd. "Our business processes were well-developed and we wanted to be able to transfer them to the new system. One of the advantages of SAP Business One is that it forces us to follow specified steps. For instance, the system prompts our sales team to enter complete maintenance and warranty information at the time of the sale. This in turn alerts us to renewals and helps us bill more accurately for service calls. This is just one of the areas that we expect to see quantifiable results. In fact, we anticipate that by improving our business controls we can save at least $100,000 in the first year alone."

One feature that Todd likes is the ability to track products by serial number. "We can now use serial numbers as identifiers to help us manage our warranty and upgrade services," he says. "Before this was simply not an option. SAP Business One inventory capabilities have been a tremendous improvement for us."

Standardised procedures

"With SAP Business One we now have a standardised, company-wide framework for our business processes," says Todd. "This

gives us more transparency into daily operations. Plus, since we are all working from the same data, we have a single version of the truth so that there is no confusion when we discuss almost any aspect of the business amongst ourselves."

Todd and the team are in the process of working on their price lists. "We had up to six different prices for each product, depending on the customer," he explains, "this was the only way we could account for volume and preferred customer discounts. But now, with SAP Business One, we are narrowing it down to a single price and can adjust the margins and discounts for each customer as appropriate. This capability gives us more flexibility and allows us to respond to market conditions quickly and easily."

Vitag is looking to implement more capabilities as they work with the system. "We want to deploy the CRM (customer relationship management) functions when we have fully cleansed the customer data," concludes Todd. "We have already seen how well the system works for us - and in Australia - and are looking forward to reaping even more benefits in the future. The team at REALTECH have been professional in their approach and we are very pleased with the way the entire project has developed."

"The team at REALTECH has provided expert implementation services and helped us extract maximum value out of the system with as little customisation as possible. As a result, 80% of our team now use SAP Business One on a regular basis to run virtually every aspect of the business." - Doug Todd, Vitag

---

REALTECH