

Theodore alexander

Business



Company: Hansa Business Solutions Customer: Theodore

Alexander Submitted by: The itpr Partnership Date: July 2002 Good stock

management coupled with excellent customer service is the key to growth in the distribution business.

The ability to manage over 4000 upmarket boutique furniture lines, track and deliver customer orders more efficiently and monitor long supplier delivery times were primary objectives for expanding distributor Theodore Alexander UK Limited. In order to achieve these goals, without increasing staff headcount, Theodore Alexander invested in a fully integrated CRM, financials and logistics software suite from UK software author, Hansa Business Solutions, including order processing via a Palm Pilot.

Company Profile

Theodore Alexander is a growing international wholesaler of upmarket boutique furniture. The company was founded in 1996 by Paul Maitland-Smith, an industry legend who has pioneered high-end furniture production throughout Asia for the past 25 years. With headquarters in Asia, Theodore Alexander owns one million square feet of production plants and has 6, 000 employees, making it one of the largest furniture manufacturers in South East Asia.

The UK office employs 15 staff in its sales office and warehouse in Basingstoke. David Pemberton, Theodore Alexander UK's Managing Director, comments, " We have consistently increased our UK markets through our focus on excellent customer service and good stock management. In this new millennium we believe that you need to embrace all technology has to

offer and we are determined to stay at the leading edge. Together with our eclectic range of fine furniture and accessories, this commitment to technology is expected to differentiate us from our competitors, helping us to be a market leader.”

Drivers for Change

Theodore Alexander UK had outgrown its inflexible Sage Line 100 stock management and accounting system, which was no longer able to support the company’s long-term business objectives.

Pemberton says, “ We’re famous for our diversity of product, original design and innovative use of materials, but this means that we currently have over 4, 000 products in our range. This volume proved too much for our existing system to handle.” He continues, “ We keep a small segment of our products in stock but, given the physical size of most of our items, we usually order products specifically for clients from our factory in Vietnam. Long shipping times mean that the conventional wholesaling systems we considered all struggled with our unusual stock tracking requirements. For example, most systems only track suppliers’ orders as ‘ awaiting shipping’ and ‘ received’, whereas we have a status of ‘ on the way’ and yet it could take up to a year before we actually received the ordered item.” Theodore Alexander also wanted to emulate US-based furniture wholesalers who use handheld barcode readers to record stock orders.

As a result of expensive delivery charges for heavy stock items, Theodore Alexander needed to be able to optimise bulk deliveries in order to reduce delivery costs. Solutions considered During the selection process, Theodore

Alexander evaluated Hansa, Access, Navision and Exchequer, in order to find the best combination of flexibility and value for a distribution business, before opting for Hansa. The Hansa solution included the use of Palm Pilot technology to record customer orders that were previously recorded manually for later re-keying. Having assessed the mobile system in its Basingstoke showroom, Theodore Alexander now uses it at the large exhibitions that the company periodically attends, in order to capture customer orders on the spot, in a fraction of the time it used to take.

Implementation

The existing hardware at Theodore Alexander was more than sufficient to run the Hansa system. All existing data was converted to the Hansa solution through exporting Sage data into text files and importing it using standard Hansa transfer routines.

Through the marking of a status against all Purchase Orders, Goods Receipts, Customer Orders, Picking Lists, Delivery notes and Invoices, Theodore Alexander was able to manage this complex process with ease.

Benefits

Having accurate figures for stock on hand, on order and on demand, allows Theodore Alexander to run its business more efficiently using the information within Hansa rather than through manual systems and the frequent stock takes that these systems would require. “ With stock holding and outstanding orders running into many millions of pounds, having highly accurate, key-critical information is vital for effective business management”, says Pemberton. There have also been some unplanned

benefits. Pemberton explains, “ We discovered Hansa’s multiple warehouse feature even though we really only have one big warehouse.

We use it to separate items damaged in transit from goods for sale so that we can have occasional ‘ seconds sales’ to clear these items from the warehouse, maximising the use of available space. And we use ‘ dummy’ locations to manage other subsets of our stock, like stock to be repaired, stock that has been ‘ quarantined’ as safety stock for crucial events, and some consignment stock that we occasionally provide to key agents.”

Pemberton continues, “ The key to this game is never overstocking, and yet avoiding being out of stock – it’s probably the same for most distributors. It’s a fine balance, with all sorts of fashion and economic factors affecting customer demand. Predicting sales demand is one of the few areas left to humans!”

Conclusion

Pemberton elaborates on Theodore Alexander’s overall achievements as a result of the implementation of Hansa software. “ We have been able to achieve our goal of managing all the business activities without increasing the number of staff, in spite of impressive growth figures year-on-year.

Hansa has been a very good choice for us. Their team has been very responsive and we are happy with the results.” Future IT plans for Theodore Alexander include adopting Hansa’s intranet solution, HansaMail, as its standard workgroup application and the introduction of online customer-specific pricing with a derivative of Hansa’s Web Shop module.