INECOM

AT A GLANCE



Industry

Manufacturer and Distributer of Clothing Apparel

Key Challenges

- Going through a period of expansion
- Left unsupported by the previous vendor

Project Objectives

- To support the new product lines and companies being created
- To more accurately cost certain cost centres
- To drive revenue growth

Solutions & Services

- SAP Business One®
- Inecom Extended Modules Reporting Package

SAP Customer Success Story Newry Limited



"We have a significant business operation with over 150 users accessing the system. We needed consultants who could understand and handle that level of complexity. Inecom were great, they understood what we wanted and delivered it on time and within our budget."

Mr. Bala – Chief Financial Officer

Newry Limited

Newry started life as a small family enterprise over 35 years ago. Today it enjoys the position of being the largest distributer of Men's, Ladies' and Children's clothing and accessories in Hong Kong. From this trading hub in Asia, it has been successfully manufacturing and exporting across the Asia Pacific region, generating \$120 million dollars in revenue last year.

Newry's business plan is not to manufacture itself, but rather develop enduring partnerships with a network of manufacturers in China, Indonesia, India and across Asia. While in Hong Kong it has a 50,000 sq. ft. facility to promote its products, buyers can view their range and select accordingly.

Motives for Change

The company had been running off a comprehensive ERP system called Sage Line 500 since the mid 1990's. Unfortunately, despite the software's competence, it was the business strategy of Sage that forced Newry to start the search for new software.



"Sage had withdrawn support from Asia to centres in Dubai and the UK. If we had a problem, we would often have to wait many hours until we had an acknowledgement to our issue."

Like a number of companies operating on legacy systems, which are subsequently purchased by acquisition led software vendors. They found themselves dissatisfied by the level of support service and product development.



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Why an SAP solution?

- Flexible user-friendly software
- Easily customised
- Scalable
- Dependable support

Key Business Benefits

- Customised reports allow accurate costing of sales orders and their profitability
- Increasing revenue but not increasing costs through greater productivity
- Greater level of control over staff and processes such as purchasing

Implementation Partner

 Inecom Business Solutions (Singapore)

Previous Environment

• SAGE Line 500

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Inecom Australia +61 3 9847 7300

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Evaluation

In 2006 Newry started the search for new software. Initially, Newry conducted a review of locally produced software. However, they quickly realised the risks involved in that choice.

"There was no assurance that a local company would be stable enough to provide continued support and has the ability to keep us competitive in the future with product development."

This led them to SAP, the world's leading ERP provider with a 23% share of the Business Software market. Only 3 years prior SAP had released their newest ERP system; SAP Business One. At the time it was still relatively unknown, but its growing reputation attracted the interest of Newry.

"It was obviously a superior product; its flexibility meant it could meet our requirements, even if they were unique."

Perhaps surprisingly while Newry reviewed a number of local vendors for SAP Business One, it was a Singapore vendor (Inecom) who they eventually chose.

"Singapore is on the same time zone so that wasn't a concern. Most importantly, we trusted them; we had previous business dealings with Inecom and we had been impressed. They gave us confidence to embark on this large project."

Implementation

Newry was, at the time, the largest implementation of SAP Business One in Asia with a required 155 users to access the system. The implementation started in early 2007 and ran within budget and was delivered on time. There were a number of reports that needed to be customised such as the place shipment report that ensured the system provided considerable return on the investment.

"The implementation was relatively smooth and the training was excellent. The consultants understood what we wanted from the system and we were provided a high level of service from all the consultants who were assigned to the project."

Benefits

Newry has now been operating on the system for over 5 years and continues to be a satisfied customer. The system and Inecom delivered some of the key project objectives. They included but were not limited to:

- · Accurate profitability calculation for each sales quotation
- Greater employee control

• Increased productivity, allowing revenues to grow without the head count needing to be increased

• A high level of support

"We started looking for a new system because of issues surrounding support. Inecom delivered in that area. However, we were surprised to find a number of other benefits. One customised report which we couldn't develop in Sage has dramatically reduced the number of unwanted sales we had previously. It had a very positive effect on our profit margin."

Newry remains one of the largest implementations of SAP Business One in Asia and a satisfied customer of Inecom.