DXC Oxygen

SAP Business One implementation for ski apparel company

Client name: XTM

Location: Australia

Industry: Consumer and Retail

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Challenge
- Improve inventory management
- Simplify and speed up reporting procedures
- Gain accurate picture of landed costs

Solution
- Implement SAP Business One integrated business software solution
- Deploy landed cost calculation functionality for more accurate sales margin setting
- Provide improved processing power and functionality across sales, purchasing and inventory management activities

Results
- Significant time savings in financial and management report preparation, freeing up staff to do higher value tasks
- Better stock visibility thanks to colour/style/size matching
- Improved information access makes for more timely and informed decision making

"SAP has improved our reporting capability and is saving us a significant amount of preparation time."

— Paul Manders
General Manager, XTM

Ski apparel company gets better information, faster with SAP Business One

When Australian based ski apparel company XTM outgrew its legacy MYOB accounting software it turned to DXC Oxygen and SAP Business One for a solution. It wanted a fully integrated business management system that could cope with its company growth and offer improved processing across its reporting, sales and stock control activities.

XTM's purpose is to create world class snow gear at competitive prices, supported by an enthusiastic and passionate customer service team. XTM has grown rapidly without losing sight of its original aims and has developed a range of top-end accessories and garments using the best available materials such as Australian merino wool.

These quality products and innovative designs have led to XTM being chosen as official supplier to the Australian Ski Team.

An on-time and on-budget implementation by DXC Oxygen has given the ski-wear design company concrete improvements in inventory management and reporting. It has also allowed XTM to accurately assess the total landed costs of its goods.

General Manager for XTM, Paul Manders, says the company was struggling to cope using its legacy solution. "We didn't have enough General Ledger flexibility and while MYOB is great for a small business we were running up against the limits of its functionality."

Frustrating time-outs and labour intensive data manipulation was slowing down productivity, says Manders.

"To undertake the analysis we needed to do on our reports we had to export the data into Excel. That was a time-consuming process, particularly when we wanted to report across multiple financial years."

With around 2500 skus, XTM has a complex inventory to manage. The lack of 'parent child' inventory coding structure was another cause of aggravation.

"It was hard to know exactly what we had in the warehouse using the old system," says Manders. "We had to tally up each individual sku to work out what our total stock holdings were – and that took time."

After assessing a number of different solutions, Manders says the company elected to implement SAP because it offered colour/style/size matrix coding and promised simplified reporting.

"I knew SAP was a reputable company. It also has a large user community, which we could tap intoto gain insights into how other companies were using the software to improve their business."

Manders says the software has vastly improved its reporting activity – saving his team around a four weeks each year in report preparation time.

"We can now do most of our inventory analysis and financial reporting within SAP. When we do have to export data into Excel it is a much more streamlined process. The next step for us is get better visibility of actual versus budgeted activity – something we will be establishing very shortly."

"We now have access to better information which means we can make more informed business decisions."

— Paul Manders
General Manager, XTM

He says using SAP the landed cost of goods can be accurately assessed and reflected in the price of each garment.

"Without a way to predict the total landed costs of materials and goods you open yourself up to risk. The cost of insurance, shipping fees, custom expenses and other variables quickly add up and need to be precisely calculated so you can set the right sales margins. With SAP, we have a calculation model that allows us to smooth out peaks and troughs and ensure there are no surprises affecting the bottom line."

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