



Customer Success Story Computer Food

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SAP FEEDS THE DEMAND FOR GROWTH AT COMPUTER FOOD

As the business world becomes ever more reliant on information technology, the market for office consumable products is growing exponentially.

There is a seemingly insatiable appetite for paper to feed printers, fax machines and photocopiers. Then there's the need for a myriad of ink and toner cartridges to keep those machines humming.

Add to this a growing demand for storage media and computer peripherals such as ergonomic keyboards and mice and a large business opportunity emerges.

New Zealand-based company Computer Food has been servicing this market for almost 10 years. With a staff of nine, the company provides a comprehensive range of computer consumables and ergonomic equipment to users throughout the country.

Based in Auckland, the company uses a combination of online orders, telephone sales and retail outlets to provide its range of products to business and consumer clients. Their two web sites provide easy access to the entire product range, and allow customers to place orders directly and arrange delivery.

Computer Food Director, Richard Barnett, said his company had enjoyed steady growth during the past few years and had been constantly extending its range of products.





“We source from local suppliers and import from overseas to meet demand,” he said. “We increased the number of employees and opened a second branch, and then found our existing core software suite could not handle what we needed it to do.”

Up until mid 2003, the company had been using the Sage Line 50 accounting package. Mr Barnett said this software had performed well, but the company had simply out grown it.

“It was not really suitable to be used by any more than about four employees and we had gone beyond that point, so the time came to search for a replacement.”

A range of replacement options were considered based on the requirements of the company. Mr Barnett said one of the most important criteria for any new software suite was that it could be easily integrated with the company’s SQL Server database and a number of important existing applications.

A number of suites on the market were critically examined and a short list drawn up. After an eight-month process, a decision to purchase an SAP solution was made.

“In early March this year, we decided to go with Business One from SAP. From the time this decision was made until we were up and running took only two months.”

Supported by SAP partner REALTECH, Mr Barnett undertook the majority of the implementation himself, having a background in software installation projects.

“There were a few teething problems but we have pretty much got

those ironed out now,” he said. “Business One has made a real difference to the way we operate as a company.”

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Richard Barnett, Director Computer Food

REALTECH’s Vice President, Asia Pacific, Mr. Tim Woolfield said, “SAP Business One has given Computer Food better visibility of stock procurement and availability. In a high volume low margin business such as Computer Food, it is a matter of always watching the bottom line and SAP Business One has given Computer Food the tools to view the performance of the business on a day to day basis.

Another key benefit Mr. Woodfield outlined was the “full integration and visibility of both branches on a single database”. This was another driving factor to implement SAP Business One.”

As well as the software upgrade, Computer Food also replaced its central servers, opting for an HP box and a second unit from IBM. Both are running Microsoft Windows 2003 Server edition.

Initially the company has focused on the financials modules within Business One, undertaking staff training to ensure all employees understand how the application works.

“Senior staff spent two days at REALTECH to learn the software and then they have been involved in training other users once back in the office,” he said.

Mr Barnett said the warehouse management capabilities of the suite had also had a significant and positive effect on day-to-day operations.

“We have a lot of stock that moves quickly, so it is really useful to know exactly what we have and where it is at any point in time,” he said. “Employees are able to query the system about individual items and find out instantly whether they are in stock. This helps us improve our levels of customer service.”

From a financial management perspective, Business One has helped Computer Food to track accounts payable, invoices, general ledger and even cope with foreign exchange transactions on imports.

“It enables you to have a clear view of how the business is performing,” said Mr Barnett. “You can run reports as you require them and they are always based on the latest available information.”

Future plans include establishing electronic links with suppliers to streamline the supply chain process, and linking the company’s two web sites directly into the SAP system.

“This will take some work but it will help to make us even more efficient,” said Mr Barnett.



AT A GLANCE

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| SAP Business One | Version 6.5 |
| Key Business Driver | Software system was limited to a maximum of 6 users. |
| Industry | Wholesaler (importer and distributor of computer consumables) |
| Project Length | 3 weeks |
| Partner | REALTECH |
| Number of Employees | 10 employees in 2 locations |