



SOFTENGINE SAP BUSINESS ONE CUSTOMER SUCCESS STORY

Kavio!

Integrated Magento eCommerce and SAP Business One Provide Perfect Fit for Growing Apparel Company

"Thank you Softengine! Our new eCommerce solution is really impressive and our customers are delighted with our new website!"

– Lisa Tran, COO, Kavio!

Kavio! is a manufacturer and distributor of the Kavio! brand of basic to fashion apparel for the printing, decorating and promotional markets. Their merchandise is available online (retail and wholesale) at www.kavio.com and as private label brands through retailers such as JCPenney, Sears, K-Mart and Wal-Mart. Their products are manufactured and produced at their own state-of-the-art overseas facility, ensuring consistent high quality of every garment. Kavio! is also a dedicated supporter of local schools, neighborhoods and non-profit organizations, with a portion of the proceeds of online sales donated to local schools through its Kavio! Shop & Support program.

Challenge

Inventory, Ordering and Accounting Processes Suffer with Outdated Business Systems

Lack of integration among connected business processes is a tough obstacle to overcome when a company is striving to successfully manage its operations. Inefficiencies run rampant and there is a greater risk of inaccurate information due to manual, redundant data entry in disconnected systems. This is precisely the challenge that Kavio! faced before taking corrective action.

According to Kavio! COO, Lisa Tran, "Our staff resorted to a cumbersome copy-and-paste approach when entering data in one system and then re-entering that data in another. For example, since we couldn't open multiple windows at one time, we had to exit an invoice screen in order to

COMPANY PROFILE

Name: Kavio!

Location: Commerce, CA

Industry: Apparel Manufacturer

Products & Services: Apparel

Website: www.kavio.com

SAP Industry Extension Solution:
Softengine Fashion One,
Magento eCommerce

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open an inventory screen. Also, it was not unusual for the whole system to freeze, causing data corruption issues that caused downtime and required immediate attention. Reports were limited, leaving our management team with few tools to accurately analyze our business. Our numbers were in a constant state of flux and it took hours to reconcile data from the disconnected business systems."

Kavio!'s eCommerce program was slow and unreliable and there was very limited integration with their antiquated apparel software program. Customers attempting to place orders online faced hours-long waits to complete the process. "Knowing that our customers want the ability to place orders quickly, we knew the time had come to upgrade the online customer experience or risk losing them," said Tran. Inventory tracking was increasingly compromised by all the manual processes. Staff used a manual hand count of their inventory in the warehouse and then entered that number into an Excel spreadsheet. Plus, the system wasn't able to generate warnings or alerts to prevent against insufficient inventory to fill orders or customers exceeding their credit limits.

Solution

Softengine Implements Fully Customized eCommerce Solution Specially Designed for the Apparel Industry

Kavio! commenced a search for a new, fully integrated solution that could fulfill their manufacturing and distribution requirements and deliver a dependable eCommerce platform that maximized customer convenience. Another primary objective was the complete automation of the company's warehouse and inventory allocation.

Their quest led to a video presentation of the SAP Business One ERP software, and then to Softengine, an SAP Gold Partner VAR (Value Added Reseller) and SSP (Software Solution Provider). Softengine consultants visited Kavio! and conducted a thorough evaluation of the company's business systems and processes. Armed with that

knowledge, they were able to determine the most cost-effective and time-efficient way to build a comprehensive solution that met all of Kavio!'s objectives.

With Softengine's guidance, Kavio! decided on a multi-phase implementation of the new system. In the first phase, the Softengine team focused on the installation of SAP Business One and the integration of Softengine's SAP Business One - Fashion One extension, a B2C and B2B product that incorporates a wealth of knowledge and expertise learned over decades of experience in the apparel industry. One of the key features of SAP Business One - Fashion One is its highly flexible Matrix Manager, which delivers superior inventory management functionality and quick and easy SKU generation. Plus, Kavio!'s retail and wholesale customers benefit from a horizontal sizing and pricing "grid" that streamlines the ordering process.

When Kavio!'s wholesale customers place an order, delivery of that merchandise may be three to six months into the future. How do Kavio! customer service personnel know if there will be enough inventory to fulfill that order? SAP Business One - Fashion One offers an "Open-to-Sell" ("Available-to-Promise") function that facilitates ordering of specific items based on projections of inventory availability a season or two ahead. In essence, the system is able to predict how much of a particular item can be promised to customer at a future date. This capability ensures that Kavio! can meet a customer's desired timeline for delivery of an item.

During the second phase of the implementation, Softengine completed integration to the Magento eCommerce solution and to the FedEx and UPS WorldShip® shipping system. Softengine offers bi-directional, real-time integration of Magento eCommerce with SAP Business One - Fashion One, enabling Kavio! personnel to manage all their data in one place, with complete Web synchronization. With their system completely integrated, Kavio! staff never have to re-enter customers, inventory, sales orders, payments or current pricing. When customers place orders online, all the order information flows instantly into SAP Business One,

updating the associated customer, sales and inventory files. Then, when that order is shipped, customers can click on their tracking number to view current status of their shipment.

While nearly all of Kavio!'s industry-specific requirements were fulfilled by the core functionality of the new system, Softengine consultants augmented the solution with a few enhancements requested by Kavio! management, including:

- **Alert Management for Improved Inventory and Quality Control** – Staff can create custom rules that automatically generate an alert. For example, if inventory goes below a specified level, a customer exceeds their credit limit or if a customer becomes inactive, the system generates an internal alert message. Plus, for added convenience, these alerts can be sent to mobile devices such as an iPhone, iPad, e-mail or fax.
- **Approval Procedures Deliver Greater Control Over the Business** – Once an alert has been generated, the system requires corrective action to be taken to resolve that condition. For example, every sales order requires the credit manager to grant approval (or not). If, for example, a customer who submits a purchase order has exceeded their credit limit, the system can send an alert to the credit manager, who can either approve or deny an increase to that customer's credit limit. Once a decision has been made, the system automatically sends back a response (approval or rejection) to the customer or salesperson for the account.
- **Expanded Customer Tracking Features** – California requires wholesale customers to have a reseller-exempt tax certificate and the system is able to track which customers have met this requirement.
- **Web Orders** – This great new feature enables management to track the number of online orders

by posting date, which can help them determine the impact of specific marketing campaigns.

Results

Softengine Gets Rave Reviews for System Design and Attentive Customer Service

Lisa Tran is quite enthusiastic when talking about all the benefits that have accrued from Softengine's expert implementation of Kavio!'s new online ordering solution and the positive response it has received from customers. "Thank you Softengine! Our new eCommerce is very impressive and our customers are delighted with our new website!"

"Our new eCommerce system has dramatically improved our customers' online shopping experience. Now, they can often place orders in just minutes and receive their shipments very quickly. For management, reports that used to take two to three days to complete now only take a few hours. Our warehouse staff is having a much easier time processing orders. Inventory tracking is now fully automated and our counts are accurate," added Tran.

Regarding the company's experience with Softengine from initial consultation through completion of the multi-phase implementation, Lisa Tran was no less enthusiastic.

"There are not enough words to convey my appreciation to the entire Softengine team. They put out so much effort and we were so comfortable working with them. Softengine was always there when we needed them and any technical issues were quickly resolved. We couldn't be happier."

– Lisa Tran, COO, Kavio!