



Newsletter 2007/08

XeBusiness

Supply chain computer solutions for quick response and cost reduction - simply and economically

Company and Sector Review

XeBusiness continues to make progress in a highly competitive industry sector. Whereas attracting new clients has been difficult given the pressure on supplier margins and prevailing business uncertainty, many of our existing clients have placed repeat business upgrade and system enhancement contracts with us as they respond to the changing trading requirements of their own customers and supply chains.

The need to invest in IT to manage the information resource is now more compelling than ever given more complex trading and logistics issues apparent both in dealing with UK retailers and corporate workwear buyers and more especially in dealing with off-shore manufacturers where event and critical path management covering both pre-production processes and then tracking offshore manufacturing contracts becomes strategic in ensuring products arrive on a 'right product, right time, right place' basis.

However, for this to happen, timely and accurate information gathered from streamlined processes is both vital and essential. It remains a great pity that more garment importers are not taking advantage of integrated and web enabled systems like ours – Xe-ERP2 – to deal with process and management information requirements to achieve productivity gains and reduce operating cost and instead, still largely rely on standalone spreadsheets to control key merchandising and purchasing functions.



David Cullis – MD of XeBusiness Ltd

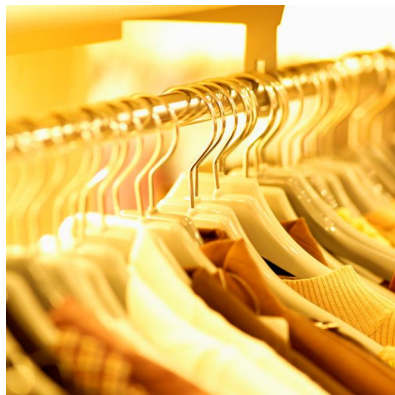
Cost should not be a factor – systems like ours have a demonstrable ROI/Payback of a few months and despite a degree of effort and commitment required to successfully implement and set-up, results and benefits flow very shortly afterwards.

This leads me to conclude that a resistance to change remains the main reason why systems like us are not adopted far more widely and frequently despite the clear benefits that an integrated business management system can provide.

The challenge for senior management in this sector is therefore quite simply to overcome this change resistance by getting closely involved in determining their company's strategic IT needs and direction and then pushing through the organisational changes required – despite some pain that will be involved – to adopt and adapt an IT infrastructure that will facilitate competitive advantage and indeed, long term survival.

For companies that fail to rise to the challenge, the future in this sector is bleak.

As an American commentator put it: *Have lunch or be lunch*



Product Development

We continue to make investments in our specialist flagship business management system Xe-ERP2 to ensure this product is kept at the leading edge in terms of best practice in the industry.

All aspects of an apparel/footwear/soft goods supplier's operations are covered fully integrated, including pre-production/PLM management and event tracking.

The strategic focus of more recent development of the product has been in the Internet web enablement and global off-shore sourcing component areas covering both pre-production and the placing and tracking of purchase contracts, driven largely by requests from improved and more comprehensive functionality within these system components from our client users and sales prospects.

However, other aspects of the system also continue to be enhanced – it's a journey, not a destination – and we believe the CRM, Distribution/Warehouse Management, MRP, Production Planning and Production Control modules within the system remain amongst the most stable and comprehensive available.

The success of our R & D operation is evidenced by the large number of contracts we get each year from existing clients keen to take advantage of the regular improvements on offer.

The Sales Bit

Our sales this year were weighted in favour of contracts from existing clients. This reflected the uncertainty in this sector of the market and the reluctance by suppliers to make investments and changes within their organisations to leverage productivity gains and drive cost reduction.

It remains disappointing how some many SME's (small to medium sized enterprises) continue to rely on non integrated spreadsheets and generic accounts packages to manage their process and information requirements given that there are industry specialist systems like Xe-ERP2 available at low cost and with short implementation timescales.

New clients this year have included Brandvis, an Irish supplier of corporate workwear sourcing from China and offering a customised web based design service, even for small volume orders from European customers. Xe-ERP2 will handle their web linked sales order fulfilment, purchasing and distribution requirements with MRP and Production Control to be implemented at Chinese partner manufacturing sites later to track work in progress and consignment shipping. FlamePro a Derbyshire based corporate workwear supplier also placed a contract with us for an integrated CRM (Customer Relationship Management) Sourcing, MRP and Distribution system that is now fully operational.

Contracts for upgrades, new modules and for customisation projects were also obtained from Henri-Lloyd International, Wensum, Corona (Mauritius based), Belle Jewellery, Try and Lilly, Dennes, Stirling Group, Corporate Wardrobe, Orla Kiely and Pinstripe Fashion amongst many others.

Major upgrade implementations were completed at Henri-Lloyd that now use Xe-ERP2 intensively and highly effectively to model all aspects of their global sales (retail and wholesale), marketing, sourcing and distribution operations

Norwich based Wensum tailoring a supplier of very high quality men's suits both customised and off the peg now utilise Xe-ERP2 to model their sales, sourcing and distribution operations with links through the Internet to their manufacturing partner, Corona Clothing based in Mauritius, also an XeBusiness client.

Pinstripe Fashion uses the Xe-ERP2 to fulfil orders taken from their on-line web sales venture BooHoo, another interesting project that the XeBusiness team successfully undertook.



Orla Kiely



See over for more news



Mission Critical Support for your XeBusiness System

We continue to get rave reviews from our clients on the quality of support we provide for our system.

The support team is led by Eamonn Molloy who is also a director of the company.



Eamonn combines a unique problem solving ability with many years of experience of the apparel and textile sector and an in-depth knowledge of each variation of our system at each client site.

Combine all the above with a sensitive and sympathetic approach to the myriad of issues Eamonn and his team have to deal with and you can begin to understand why all our clients rate the support and maintenance service we provide very highly indeed.

We occasionally get feedback on the service concerning its annual cost. Whereas we do endeavour to monitor and control the cost of the service, what we have not been prepared to do is to cut corners in terms of responsiveness and ability to solve specific problems encountered in the shortest possible time given the 'mission critical' nature of the role our system performs in user organisations. If the system is down for whatever reason we respond to get it up again - fast - given that the client company's operations could well be at a standstill until it is. Unsurprisingly enough, the few clients in the past who have mentioned to us that service cost is high, undergo a rapid change of perception once they have a serious issue and we pull out all the stops to resolve it.

Note telephone and on-line response to dealing with application software issues is only one aspect of what this service covers. Within the annual cost we offer product updates and upgrades, an inclusive Escrow sub-agreement, assistance with recovery in the event of failure of the system which might be quite unrelated to the software; e.g. recovery after a power failure, environmental support relating to technology platform issues; e.g. Network infrastructure and MS Windows, minor modifications to the system and the provision of simple reports on request.

Taking all the above into account, we believe the service provides outstanding value for money and fortunately, the vast majority of our clients agree.

However, we are not complacent and continue to identify areas where we can be even more cost effective.

Are you getting the best out of your XeBusiness System?

It is an often mooted benchmark that a small to medium sized company needs to invest around 3% of annual turnover in its IT facilities, given the increasingly strategic role played in improving competitiveness.

Whereas there are many views and interpretations of what constitutes competitiveness, good IT should overall facilitate two strategic areas:

Operating Cost Reduction – improve productivity, improve margins, and improve ability to compete for new business on cost grounds.

And

Improve Customer Service to increase sales and reduce/eliminate lost orders – by streamlining process to meet delivery dates and shorten elapsed order to delivery timescales and to maintain and improve product quality.

A whole host of improvements in each of the following 'micro' benefits will achieve the 'big picture' gains in the two main strategic areas above.

These could be:

- Improved visibility in selling and purchasing
- Time savings/Overtime cost reduction/ improved productivity
- Simplifying and improving process in all operating areas
- Better control of costs
- More responsive customer service
- Increased predictability and reliability
- Availability of timely and accurate information - right information right place right time

To assist with achieving the above improvements, XeBusiness offers existing clients the following programmes to ensure that its system – Xe-ERP2 – is being used to provide optimal benefits.

Refresher training – staff will come and go – new staff require to be trained to use Xe-ERP2 effectively and we can provide regular customised training programmes to ensure new staff are brought up to speed on the system quickly.

Advanced training for longstanding staff using Xe-ERP2 – we can put together a programme that will provide staff who have originally trained by us further insights into using the system even more effectively and to eliminate any long standing misconceptions about the capabilities of the system.

Xe-ERP2 Master class – senior staff, supervisors, managers and directors can benefit from a customised programme we can put together for your company on how the system can be used as a highly sophisticated and effective management information and business intelligence source.

Grants may well be available from local trade bodies and industry associations that will entirely cover or greatly reduce the cost of the above programmes. Get in touch with us and check them out.



Memo

To: Suppliers still using generic accounting packages and spreadsheets to control their Off-shore Sourcing and Merchandising Ops

Subject: You shouldn't be!

Why?

It's error prone, slow, inaccurate and risky – especially if the author of the spreadsheet leaves the company.

The XeBusiness system – Xe-ERP2 – provides the fully integrated process and timely information requirements to deal with managing samples, specification sheets etc on an auto event management basis and then provides the purchase order contract tracking to facilitate on time shipments and deliveries.

Seeing is believing – contact us for a demonstration.



O'NEILLS

