



## MD's Review XeBusiness in a Recession Year

2008/9 was a milestone of sorts for the company as it marked the tenth year of XeBusiness trading independently since the MBO from Kewill Systems Plc in December 1999.

I am pleased to report that despite the stringent economic climate prevailing in the UK and globally, the company has once again operated profitably and remains cash generative. This has been true for each of the previous ten years of the company's existence although trading conditions in 2009 have been as difficult as any I can remember from prior economic downturns.

However, given the close relationships we have with our customers, we continue to book a significant amount of business from our client base, particularly those companies with a strong brand presence who saw the hiatus on the high street as an opportunity to consolidate and increase their market share at the expense of less responsive competitors. As the recession eases, these client companies will be in an ideal position to hit the ground running and achieve substantial sales growth.

We have continued to do what we do best: namely provide close, responsive support to our client base to ensure our clients get maximum value from their IT investment with us and to continue to develop our product to reflect the fast changing needs of the market in which our clients operate.

As recessionary conditions ease in the UK, our business development plans include focused sales campaigns to take on new clients – particularly those getting by (or not!) using spreadsheets and non specialist/generic accounting and business systems to manage their operations and paying the price in terms of poor availability of management information and dealing with process in a cumbersome and error prone way frequently resulting in poor customer service and uncompetitive pricing owing to an increased operating overhead.

These problems are often not evident to the management of these companies until their customers start voting with their feet and taking their business elsewhere.

The XeBusiness system – Xe-ERP2 – has been designed specifically to deal with all the specific business issues facing small, medium sized and large apparel, textile, footwear and soft goods suppliers with an investment payback in months resulting from efficiency savings and productivity increases.

The end result? Survival, and competitive edge linked to the ability to take swift advantage of the next business upturn.

Have lunch or be lunch!

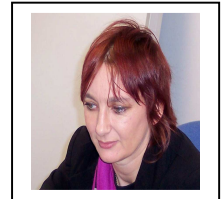
## Some New and Not so New Faces



Tony  
Austerberrv



Rebecca  
McAninly



Mandy Ward

The only business certainty is change. The XeBusiness team line-up now reflects a few new starters who are already making a positive contribution within the company.

**Tony Austerberrv** operates for us as a specialist software developer in Delphi (a popular 4<sup>th</sup> Generation Programming language) and brings a vast amount of successful experience to this role. In addition to his mainstream software development role, Tony, as a result of the flexibility demanded within XeBusiness, also operates as a highly competent support analyst and client trainer.

**Rebecca McAninly** joined – or should I say rejoined – us earlier in the year as our lead project manager and training consultant. Rebecca used to work within the team when it was part of Kewill in the nineties and needless to say, some of us who worked alongside her at that time were delighted to renew our acquaintance. Rebecca's knowledge of the apparel industry and of our product solutions is second to none and her skills as a trainer and consultant are proven over many years.

**Mandy Ward** joined us recently as our administration and commercial manager and she has very quickly settled into this key supporting role for our ops, although we expect her to also get involved in our front line marketing campaigns shortly.

Our people remain the company's primary asset and our current line-up will continue to ensure we remain customer focused at all times.



## Service Edge

Having a market leading product is one thing – but we also have the services in place to ensure that our clients get maximum value from the IT investment they have made with us. The provision of these services is a strategic part of our operations and their quality is what gives us a competitive 'edge'.

**On-going Support and Customer Care** – This is managed and executed in the main by Eamonn Molloy, certainly the best known member of the team as far as our clients are concerned. We continue to attract rave reviews from the very high quality of the support we provide our users. Xe-ERP 2 is a 'mission critical' system and Eamonn and his team ensure it is kept running at all our client sites with a fast and flexible response to any incidents reported.

**Training and Consultancy** – these services are available both for new and also existing clients to ensure they get effective use of the system. We are currently promoting a '**MasterClass**' program to our existing users where a consultant spends a day at your site and audits how effectively the system is being used and then makes recommendations to streamline use and bring to bear any functionality that your company is not using but could benefit from - some of the 'bells and whistles' in fact. A report is produced with these recommendations to save time and increase productivity. Information requirements are also considered and advice is provided on how best to use the system to provide specific management information that is perhaps not being obtained at present.

**Software Customisation** – the system can be customised to deal with specific and unique aspects of your operations, we can undertake any modifications quickly and at low cost. We usually aim for at least a 90% requirement fit with the standard product and some customisation can make a big difference in terms of productivity increases and customer service improvements. Payback on any investment made in this area is usually extremely rapid.

**Customised Reporting** – we have a large portfolio of standard reports that is available to all our users. However, if you require customised information access and reporting, we have a developer version of a report writer product that is a very powerful and easy to learn reporting tool. We can train clients to use it in a day. A further benefit is that the report writer can be used to extract information from the Xe-ERP2 database for formatting into spreadsheets where the information can be modelled.

Contact David Cullis for any more information on the above.

## Product Development



Eamonn Malloy – Our Customer Support Director

### Product Development – Keeping Xe-ERP2 in the Forefront

This remains a strategic part of our business development strategy and is closely linked to the feedback provided to us by our clients and industry news channels.

To summarise, we cover the two major sub sectors of the apparel industry, namely Fashion and Corporate Workwear. We have different versions of our product dealing with the process and business intelligence requirements of each of these sectors although, as you would expect, there is also a considerable amount of overlap in terms of requirements.

The main business requirement areas where we continue to focus the majority of our R & D effort are:

### CRM (Customer Relationship Management), E-commerce Web Enablement and Interfacing

This remains a key area and our system allows a client user to treat each of their customers as though they were the only customer they were dealing with. This involves allowing the client to easily set up in the system (customise it in effect) all the variables involved in trading with that customer so that these can be called up and used automatically to streamline dealing with the processing of transactions. A customised response to demand!

There continues to be considerable interest in linking the XeBusiness system – an effective sales order acknowledgement and fulfilment engine - with client web sites set up as retail shop fronts to enable orders to be taken from both account and cash customers. This also allows remaindered stock to be sold using whatever promotional campaigns are deemed effective. We have undertaken a number of assignments involving the implementation of 'selling off the web' projects and indeed, this has now almost become a standard requirement for most companies supplementing their more traditional wholesaling and retailing activities.

Functionality enabling customers to trace and track delivery of orders placed via the supplier's web site is also a useful adjunct to the web selling concept to enhance customer service levels and remove the need for customer service staff to be available to take calls from customers trying to establish the delivery status of contracts placed.

### Global Sourcing and Importation of Products

#### **Pre Production Process and Information Management**

We often find that this merchandising area is frequently neglected by most suppliers sourcing product off-shore. The XeBusiness system – Xe-ERP2 – has an exceptionally comprehensive module that streamlines the handling of the process and information requirements of all aspects of sampling, labelling, costing, bill of materials etc. prior to the placing of a bulk order for production with a particular off-shore supplier. The module also allows event management control linked to time based targets to ensure all loose ends are tied up prior to commissioning the bulk production process. If you are not controlling pre-production to ensure quality of product to specification and completion of all the stages required to a specific time target, then you should be or suffer cost escalation and delay in getting your product to market.

#### **Tracking of Off-Shore Production Orders**

This module allows all orders placed with off-shore suppliers to be tracked based on processes linked to eventual shipment of the product by the manufacturer and arrival at either your warehouse in the UK or despatched direct to your customer. A critical path comprising a set of events that require to be completed prior to receiving the order on time can be set up in as detailed a fashion as the XeBusiness client requires and then these can be tracked and monitored along a critical path linked to achieving the required shipment and delivery dates. The system will immediately and automatically warn against any risk of delay based on tracking feedback processed so that remedial action can be taken to get shipment back on target or at least enable containing action to be taken early if a delivery date looks unlikely to be met. Multiple production orders linked to consignments despatched within containers can also be handled in bulk by the system.

Both these modules are fully integrated with the rest of the XeBusiness sales and purchasing modules and the information therefore processed within any sub system automatically updates all other linked sub systems so that the impact on the business as a whole as modelled by Xe-ERP2 is immediately apparent.

#### **Other Specific and Ancillary Apparel Processes**

The control of embroidery, embossing, labelling and badging of garments is also handled seamlessly by the XeBusiness system and all labour and materials costs linked to these processes are also tabulated and recorded so that an accurate overall cost and margin profile is available for cost quotation purposes. Other costs often missed like certain landed costs of product involved in importation for example, can also be captured and brought into the cost template to ensure accurate pricing and to avoid unintentional erosion of margins.

### Specialist Functionality for Corporate Workwear Suppliers

This segment of the market is of strategic importance to XeBusiness and some 35% of our clients supply products falling into this category.

The management of contracts, man-packs/wardrobes are all handled seamlessly and in a streamlined way by Xe-ERP2 using web enabled links that allow customers to use the internet to place, track and call-off orders over a number of levels covering central site, multiple sites, right down to individual operative garment call-offs with various checks and balances built into the system to ensure all call-offs are undertaken in accordance with an agreed rule based template with security features as standard.

The competitive battleground for winning and retaining contracts in this segment of the market is price linked to a consistently high level of customer service. The XeBusiness system ensures its clients have the tools to win and retain business in the face of cut throat competition

### Fashion Suppliers

This macro segment covers a very wide range of product including menswear, ladies wear, children's wear, soft furnishings, footwear, lingerie, etc.

Xe-ERP2 handles the wholesaling, concessions and retail linkage requirements of suppliers trading in this segment either with the large retail chains or with smaller boutique franchises to ensure the 'right product, right time, right place' optimum is achieved, Full web enablement and linkage functionality is available as many suppliers operating in this segment are supplementing their wholesale activities by selling on-line direct.