



GLOBAL TALK

INFLECTION POINT

POSITIVE BUSINESS TRANSFORMATION
IN THE FACE OF COVID 19

Edition 16
BUSINESS PIVOTING



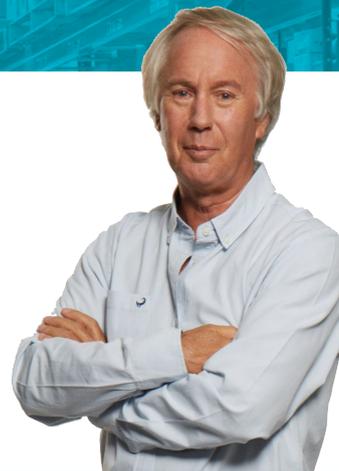
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Technology Insight

With Phil Duff



Pivoting for Future Success

Only one year ago, none of us could have predicted that we'd be living through a global pandemic which has seen unprecedented disruption in most industries. At the heart of the economy, manufacturers and distributors have been among those hardest hit and remain under immense pressure to keep going at all costs.

Business leaders have recognized that being agile and embracing digital transformation is no longer a luxury; it is now a necessity. Some manufacturers have shown great resilience by pivoting their production lines to manufacture items that have become essential and are in high demand: protection gear, hand sanitizer, masks and ventilators.

To understand how manufacturers and distributors handled the shift presented by the pandemic, we conducted a global industry survey looking at business resilience during COVID-19. The survey touched on the rise of the remote workforce and the impact on labor, the role of business system resiliency, supply chain disruption and the capability to deal with future disruptions.

Not surprisingly, many organizations were unprepared for the pandemic. Global lockdowns saw a dramatic increase in the number of people working from home, yet 47% of businesses were unable to function because operational staff needed to be on the premises. Added to this, supply chain disruptions meant that 60% of businesses struggled to get product to their customers.

To survive the pandemic and thrive into the future, industry professionals have accelerated their digital transformation efforts. 67% stated that due to digital initiatives such as e-commerce, digital supply chains and remote working, they were able to trade effectively during the pandemic.

However, the survey also indicated that many organizations have yet to embark on their digital transformation journey. Besides the potential costs, one of the main reasons for this is that the process of transforming can be overwhelming. While executives are keen to embrace the opportunities presented by Industry 4.0, many attempts at digitalization are stalling before they gain traction because there is a lack of knowledge on where and how to start the transformation process.

At SYSPRO, we are working closely with our customers as they make this shift and think ahead. Transforming digitally brings substantial benefits, including the ability to innovate rapidly, offer a shorter time to market and prevent wastage by storing less inventory. The long-term results include more efficient supply chains and higher capital efficiency.

The good news is that you can use ERP to support your overall digital strategy. The key is to ensure that it is future-fit. Please read on to see how SYSPRO customers around the world have done just that.

For more details from our business resilience survey, please check out the Industry Insight article by Paulo De Matos, SYSPRO's Chief Product Officer.

Phil Duff

CEO
SYSPRO

Industry Insight

With Paulo De Matos



Business Resilience During COVID-19

SYSPRO's Business Resilience During COVID-19 survey offers insight into the need for manufacturers and distributors to urgently adjust their operational strategies and increase agility while maintaining continuity.

Remote working could be a permanent fixture in future

As social distancing became the new normal, entire workforces needed to connect and collaborate remotely. According to the survey, 47% of businesses were unable to perform effectively due to operational staff only being able to function on the premises. In a shift towards remote work and increased collaboration, 73% of businesses stated they would need to invest to facilitate remote working capabilities in the future.

We can see that COVID-19 has had a ripple effect in many areas, but remote work is here to stay. It will need to be supported by systems that allow for easy communication, collaboration and performance management

Supply chain disruptions are resulting in localized solutions

Unsurprisingly, the survey showed that 60% of businesses were impacted by supply chain disruptions during the pandemic. Looking at distribution, 45% said they were unable to operate at the same levels of distribution efficiency enjoyed before the pandemic.

Supply chains have been heavily integrated and increasingly reliant on foreign raw material, particularly from Asia. Companies looked to offshoring, aware of the risk of quality control but happy to reap the benefit of lower labor costs. With increasing part shortages, manufacturers and distributors are now looking to find alternative supply sources and establish more resilient supply chains.

This was echoed in our study, which indicated that 42% of businesses will re-shore manufacturing operations. This reconfiguration of supply chains has an impact on localized requirements as well as dual-sourcing policies for supply certainty. We expect that industry-

The acceleration of digital transformation

According to the study, only 38% of businesses felt that their business systems were adequate to handle the disruptions. Diving deeper into these findings, the study found that business systems lacked the necessary accessibility, availability, insights and basic planning tools needed by the industry to react to the pandemic. In fact, 29% of businesses stated that their systems fell short in providing them with availability and accessibility during this time and they would be pursuing cloud-based business systems to deal with any possible future disruptions.

It's clear that manufacturers and distributors are shifting their preference towards cloud-deployed business solutions, not only to address immediate needs, but as a catalyst to accelerate their digital transformation journeys. Organizations are now set to adopt different approaches to sourcing strategies and will pivot their focus away from cost and efficiency control and towards certainty and quality. We expect this shift to last way into the future.

Paulo De Matos

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**Chief Product Officer
SYSPRO**



PIVOTING WITH SYSPRO

SYSPRO USA

Ruprecht Transforms Digitally

with SYSPRO ERP



Established in 1860, Ruprecht serves domestic and international customers in the food service and retail sectors. As the oldest beef operator in the Chicago area, Ruprecht's customers include well-known independent restaurants, local and national chains, national and international distributors, retail supermarkets and wholesale clubs.

Prior to implementing a comprehensive SYSPRO ERP solution, the organization suffered from inefficiencies created by disjointed processes, primarily in its manufacturing and distribution departments. The company's investment in R&D has led to rapid growth over the past 10 years. To capitalize on this growth, it needed a fully integrated business solution.

One of the challenges it was facing was that two different platforms were being used to run the business: QuickBooks and an in-house, custom-developed ERP package. Frank Patton, Chief Financial Officer of Ruprecht, says the systems were not integrated, leading to time-consuming efforts to align the two. "Neither of the platforms was scalable or well suited to our need to grow our business," he says. "As a private equity-based company, we needed a system that could support our growth curve."

The homegrown ERP package also lacked some of the capabilities critical for success, such as production scheduling, full inventory visibility, manufacturing standard costing and 'what if' scenarios.

Opting for flexibility and quick ROI

Ruprecht evaluated five different platforms: SYSPRO, Infor, Dynamic AX, Just Food and Sage. After an exhaustive due diligence process, SYSPRO was selected based on its ability to assist Ruprecht with its change management efforts.

"Also, SYSPRO really understands our business and is industry-built," Patton says. "One of the main reasons we chose SYSPRO was for its adaptability and flexibility, as well as the ability to get value very quickly from it."

Ruprecht is currently using the full SYSPRO 8 Finance solution. SYSPRO has provided Ruprecht with several key ROI metrics, including a defined production schedule which makes it possible to understand the number of hours it takes to make product in a given manufacturing cell.

Measurable Business benefits

From an overall perspective, Patton says SYSPRO assists with financial metrics and corporate performance management while enabling the company to make better informed buying decisions. For example, SYSPRO's Web Services view allows more information to flow to the user to enable better decision making.

In addition to the key ROI metrics, ease of use, higher productivity, ease of integration and digital transformation provided by SYSPRO 8, the solution has delivered a defined labor model, allowing Ruprecht to do planning and analysis of its labor requirements.

Thanks to the improved operational efficiency and faster time to value delivered by SYSPRO, Ruprecht is now able to close its books in only four days, freeing up more productive time to focus on strategic business matters. "We expect the cost benefits generated by the scheduling and labor modelling components alone to realize improved operating expenditure of around \$1.5 million to \$2 million each year. Ruprecht will be able to reinvest these savings into the business through expansion or additional capacity," Patton says.

Tackling market disruptions effectively

SYSPRO has made it easier for Ruprecht to tackle market disruptions effectively. The company's stable source of supply and ability to maintain healthy inventory levels helps it weather disruptions in both product availability and price. This in turn enables Ruprecht to assist its customers through these challenges.





"This is where the Artificial Intelligence (AI) solution is so important," Patton says. "It's taught us to focus on developing a predictive model to guide us on the decision-making process so that we can set ourselves up for success in the future."

"The more we learn about what's being done with Avanti and SYSPRO 8, the more excited we get. We've got to find ways to show value and make our supply chain even more efficient, and AI is the key to achieving that goal so that we can be more agile, not less."

Optimizing the power of Predictive Analytics

As part of its digital transformation journey, Ruprecht has set up a data warehouse structure which allows it to pull data to the warehouse from SYSPRO.

"Along with SYSPRO, we've built a data lake that has become our front-end platform. It allows us to be product agnostic because I can pull pieces of data together to speed up our decision making or allow us to do a better job of understanding the relationship between non-related data elements," Patton says.

"It means we can do things we were only able to dream of until now."

Because SYSPRO is built on an open architecture, it gives Ruprecht unlimited flexibility to pull data into the solution and use it strategically.

"I'm comfortable that SYSPRO's architecture will allow us to make decisions on the fly. When we built the connection to the new data lake, we literally pulled every single field and capability out of SYSPRO," Patton says.

"Our goal is to be a solutions-based food company that provides high value product. We will achieve it by making the most of our SYSPRO solution."





PIVOTING WITH SYSPRO

SYSPRO CANADA

Arjo Reaps Savings an Productivity Improvements



Medical solutions company Arjo's decision to upgrade to SYSPRO 8 has seen productivity improve drastically, and it expects working capital savings of between \$100,000 and \$250,000 in three to six months. Established in Sweden in 1957, Arjo is a medical devices, services and solutions company that improves the everyday lives of people with reduced mobility and age-related health concerns. Today, Arjo is helping people in more than 60 countries with products and solutions for patient transfers, hygiene, disinfection and medical beds. In Canada, Arjo has multiple warehouses spread across various regions that hold spare parts inventory used by technicians to service customers. All its facilities rely on one primary warehouse to replenish depleting stock. Arjo was managing these stock transfers manually and wanted to automate stock replenishment and streamline its processes to make them efficient and error free while decreasing the time spent on manual work.

Keeping the customer promise

"We have a commitment to our customers and promise them a high on-time repair rate. Our process wasn't efficient enough to consistently deliver on our promise. Every month, one of our service directors would spend three hours creating a spreadsheet with details of supply stock inventory and send it to all 50 technicians," says Stephen Kay, Director of Logistics at Arjo.

"Each technician spent an hour reviewing and updating their requirements in that spreadsheet before sending it back to a central operator who spent about 15 minutes per technician to review and compile all of this information and then create stock transfers manually."

This entire process was one of the many tasks handled by Arjo's sales and services management group. Kay realized that it was impacting employee productivity and undertook a review of the process.

"It was managed through spreadsheets and relied on technicians to say what they needed and when," Kay says. "This was more of a pull model inventory rather than a push model inventory and it was extremely inefficient and led to inaccuracies. If the technicians didn't have the required inventory in stock of a particular spare part when it was needed, they would have to wait until the part arrived from the central warehouse to service the customer."

Reviewing the supply chain

A SYSPRO customer for more than 20 years, Arjo reached out to the Solutions team at SYSPRO for help. SYSPRO evaluated the process and offered its Supply Chain Review program (part of the Requirements Planning module in SYSPRO 8).

The Supply Chain Review program determines when stock is needed in certain warehouses based on established minimum and maximum inventory levels and it will automatically suggest and create supply chain transfers to fulfil that need. Operators can review the suggestions and create the supply chain transfers automatically.

As a result, a process which earlier took about 65 work hours to complete, was error-prone and involved more than 50 people, can now be done by just one person in under an hour. Arjo now has one person responsible for inventory review and valuations, and obtaining approvals for stock transfers through reviews is automatic. This liberates all others from the responsibility of accurately maintaining and managing inventory.

Since the implementation, running SYSPRO's Supply Chain Review program takes about 30 minutes and another 30 minutes are spent by an operator to review the requisitions that it suggests. SYSPRO completed the deployment in one phase.

"This saves us more than 90% of manhours. It has helped us eliminate errors and freed up time for resources to proactively do what they are supposed to do. I have been able to move the ownership of this process away from the Sales and Services group to the Supply Chain group," Kay says.



PIVOTING WITH SYSPRO

ASIA PACIFIC

SYSPRO Lifts Wen Ken's Cost Accuracy

to 99.5%



Wen Ken 永健

Traditional Chinese Medicine (TCM) company Wen Ken has improved its inventory and costing accuracy from 92% to 99.5% as a result of implementing SYSPRO. Founded in 1937, the Wen Ken Group has more than 80 years' experience in the research, development, production and marketing of TCM, natural medicine, pharmaceuticals and Over-the-Counter health products.

The company employs more than 1,000 staff and operates 40,000m² of factories and offices in Southeast Asia. Wen Ken's customer base encompasses TCM stores, major hypermarkets, pharmacy chains and convenience store chains from South East Asia to the Middle East.

Searching for a fully integrated solution

To support business growth, Wen Ken needed to replace its existing disparate systems with a fully integrated, robust planning solution. Visibility into real-time stock information was lacking, and all the company's data was in separate systems.

Wen Ken's selection of its new ERP solution was guided by a stringent list of criteria. Fu Shou Jeen, Executive Director of Wen Ken, says: "We needed a system capable of managing multi-site, multi-company operations, with visibility into other companies' stock information where appropriate.

"We also needed to apply and track sales promotions, run customer credit checks and do material requirements planning with load levelling." Additional factors contributing to the decision included the ability to: track and manage material and operational costs; perform traceability of lot to source; manage inter-company sales and purchases; and run mobile sales order collections.

Proven track record in manufacturing and distribution

Wen Ken selected Version 7 of SYSPRO for its well-established track record in the manufacturing and distribution sectors. The company has 31 SYSPRO users across five companies – two each in Singapore and West Malaysia, and one in East Malaysia.

SYSPRO and its channel partner Cosmo Synergy demonstrated a proven track record of successful implementations for manufacturers. "The Cosmo team displayed exemplary professionalism and customer service levels. Cosmo encourages its team to pursue certification in industry best practices, and SYSPRO's well-planned roadmap ensures the product is futureproof, which allows the solution to grow in line with our expansion," Fu says.

"In addition, SYSPRO's single DNA architecture guarantees that maintenance and upgrades will be easy and cost effective."

Cosmo Synergy completed Wen Ken's SYSPRO 7 implementation in six months, focusing on the core functionality in the Financial and Distribution modules. The remaining modules were implemented in phases over the following 6 months. In total, the entire SYSPRO system took about a year to implement.

"The implementation went smoothly," Fu says. "One of the challenges was training our staff from using separate, disparate systems to optimizing the functionality of a fully integrated system. Once everyone was up to speed, we were able to stabilize on the new system."





Improved data, enhanced decision-making

Since the implementation, Wen Ken has improved the reliability, accuracy and timeliness of its data. This has in turn led to significantly enhanced decision-making.

“One of the major benefits we’ve experienced has been the improvement of inventory and costing accuracy from 92% to 99.5%,” Fu says. “We use SYSPRO to plan our purchasing in a way that is integrated with production planning. This has reduced our stockholding by an average of two weeks for finished goods, and we have also experienced a 20%-30% reduction in packaging material as well as raw material.”

The real-time, accurate data has also enabled Wen Ken’s management team to make financial decisions with greater insight.

Looking ahead

Wen Ken is considering extending its SYSPRO solution with the SYSPRO Espresso mobile solution for its mobile sales force. The management team is also investigating SYSPRO’s Manufacturing Operations Management (MOM) capabilities to enhance visibility and control of its production systems.

“As an organization, we sell about 400 million products a year, and our mission is to double this in the next five to seven years. We need a robust ERP system that will grow with us in our different territories and with the different manufacturing facilities we intend to have. Our evaluation of SYSPRO 8 shows that it is moving in the right direction to meet our needs,” Fu says.





Think Forward

Businesses have come to realize that in order to overcome supply chain disruptions, their business operations need to become more agile moving forward. Here, industry-built technology solutions will deliver industry specific functionality for manufacturers and distributors to optimize and simplify operations, stay current and in control.

The Factory of the Future

Now is the time for manufacturers and distributors to embark on their digital transformation journey and embrace the promise of Industry 4.0.

Technologies like robotics, advanced Quality Control, Machine Learning (ML), Artificial Intelligence (AI), digital citizens and Internet of Things (IoT) will define the factory of the future. The good news is that you can use ERP to support your overall digital strategy. The key is to ensure that it is future-fit.

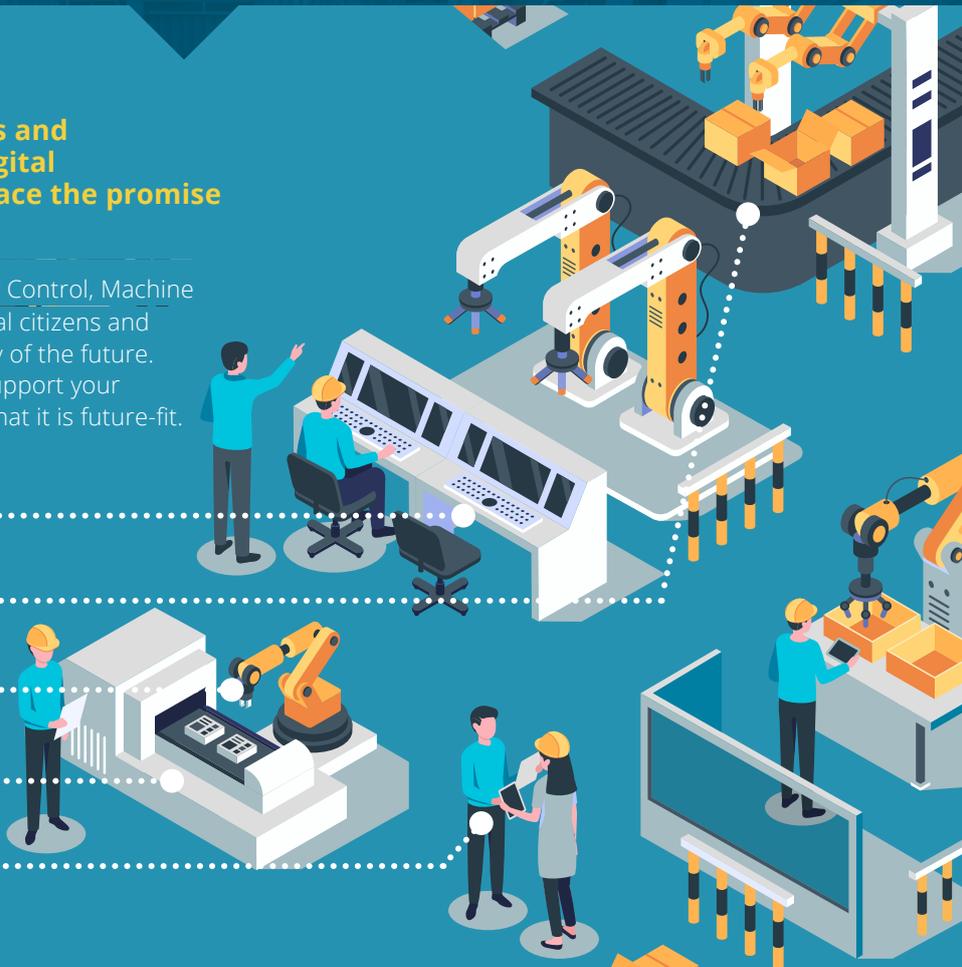
Advanced QC ●

Optimization & Analytics ●

Robotics ●

Sensors, IoT & Shop Floor Data Collection ●

Predictive Maintenance ●



In order to better understand the shift presented by the pandemic and the drive towards industry 4.0, this year, we conducted an industry study into how manufacturers and distributors handled the shift during COVID-19. An online survey was shared with industry professionals of different managerial levels within each of our key regions.

This included the United States, Canada, EMEA and APAC. The survey was shared in August 2020 and was directed to both office workers as well as operational workers in departments including operations, office of finance, IT, logistics, marketing and sales.

Download the full Infographic here

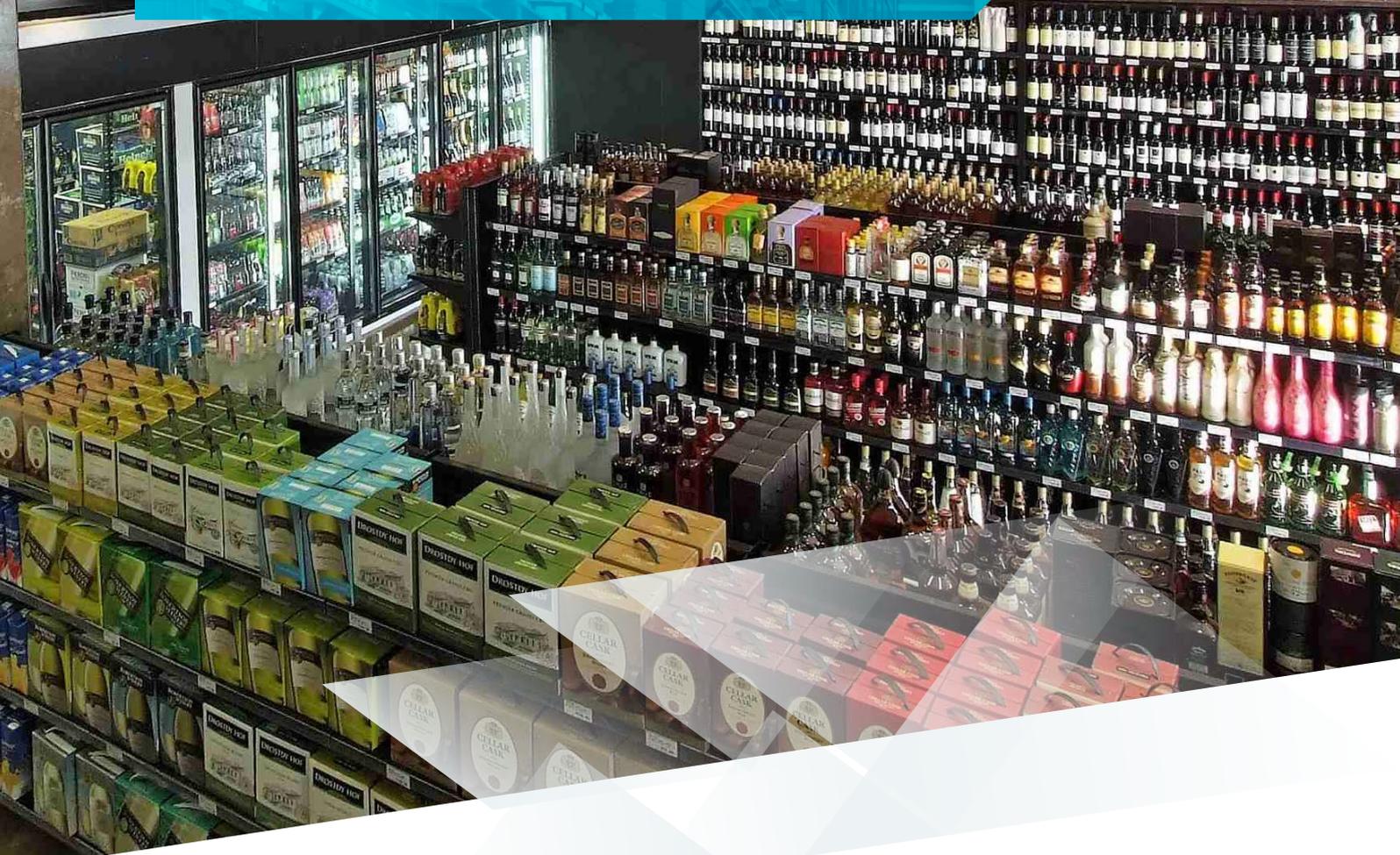




to our Norman Goodfellows store!
 Like a fine wine, the real store is still a work in progress.
 Enjoy the **TEMPORARY SHOP** until then!
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PIVOTING WITH SYSPRO

SYSPRO AFRICA



Norman Goodfellows Gains Insight into Profitability



By implementing SYSPRO, fine wine and spirits merchant Norman Goodfellows (NGF) has gained insight into profitability at a customer, supplier and product level. Established in 1976, the company has been providing wine, spirits, malts, soft drinks, party services and gifts for more than four decades. Today, NGF operates retail stores and warehouses in South Africa's Gauteng, Western Cape and KwaZulu-Natal provinces, delivering up to 1,000 orders a day. In a fiercely competitive market, NGF takes pride in maintaining a competitive advantage through exceptional customer service. However, a same-day service for orders placed by 11am combined with a willingness to supply single bottles (as opposed to case lots) presents logistical challenges.





Jason McEvoy, Chief Operating Officer of NGF, explains: “The logistics of getting our product from our warehouse to clubs, pubs, restaurants, hotels and private residences on time and in the correct quantities allows us to create and maintain trust in our brand.”

NGF operates a fleet of over 50 vehicles that service more than 2 000 customers daily from two dedicated warehouses and distribution centers. 62% of these deliveries originate from same-day orders.

“On an extremely busy day, we have the capacity to make over 1,000 deliveries, with 500+ deliveries being delivered the same day the order was received,” says McEvoy. “This is very much a commodity-based business and we differentiate ourselves through excellent service, every time.”

Gaining control with an integrated ERP system

Before SYSPRO was implemented, NGF operated a front-end Point of Sale system and a separate finance system. These systems communicated via manual entries from both sides. NGF decided that the only way to have complete control over its business operations as well as to manage customer and supplier interactions, was to move from these basic systems to a fully integrated ERP system.

The main business objectives that drove NGF’s ERP journey involved stock optimization and profitability analysis.

“Another challenge with the old systems arose when a customer placed an order and we had no idea whether or not we had the stock on hand. It was only when the salesperson took a piece of paper indicating the customer order into the warehouse that he could physically confirm stock availability,” McEvoy says.

Stock losses also plagued NGF. “Alcohol is like cash – it can be sold or consumed anywhere. Theft is, unfortunately, a huge part of our business, both in retail and redistribution. Not having the capability to quantify these losses was frustrating and bad for the bottom line.”

Accessing new business opportunities

The SYSPRO implementation was a delicate balance between meeting the customer expectation and avoiding the risk of over-architecting the system. The commercial complexity of NGF’s business required constant collaboration, an intimate understanding of processes and systems and a deep dive into the maturity of the different sections of the business. It was also imperative that the ERP implementation did not result in any downtime or delays in customer services. Already, the enhanced visibility of stock has positively impacted many aspects of the business.

Achieving a delicate balance

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Already, the enhanced visibility of stock has positively impacted many aspects of the business. “SYSPRO Point of Sale drives our retail business and allows us to transact offline. The Warehouse Management System ensures that anything that moves in any of our warehouses around the country has a matching transaction on SYSPRO so that our stock is always visible in real time,” McEvoy says.

NGF operates a fully integrated retail website that reads stock pricing and availability directly from SYSPRO. The system’s B2B Sales Order Integration allows NGF customers to place orders on their side, thereby reducing human error and increasing efficiency.

On the distribution side, NGF relies heavily on rebates from suppliers. In the absence of a system that could determine and track these figures, the company was reliant on feedback from the suppliers to calculate the rebates that were owed to them. “SYSPRO has put the administration of this process firmly back in our control. We are now able to access what was essentially lost revenue,” says McEvoy.

Once NGF got the basics right, it was excited to extend its ERP journey with other products. “We bolted-on QlikView, enabled by SYSPRO. QlikView is a Business Intelligence data discovery product that has been a game changer in terms of our ability to make accurate predictions. A lot of our profitability hinges on smart buying, and before we had accurate sales numbers and stock holdings, these buy-ins were often wrong,” explains McEvoy. “The ease of integrating this product with SYSPRO allowed us to expand the functionality of our ERP system.”





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