UNICORN PRODUCTS

NURTURING AND EMPOWERING A COMPLEX FAMILY BUSINESS WITH SAP® ERP

"Unicorn has expanded and diversified enormously over the last decade, and SAP ERP has set the pace every step of the way with sound architecture and expert functionality, along with built-in flexibility and scalability."

Edward Lowy, Managing Director, Unicorn Products Ltd.

QUICK FACTS

Company
- Name: Unicorn Products Ltd.
- Location: Edenbridge, England
- Industry: Consumer products
- Products and services: Production, marketing, distribution, import, and export of premium-branded sporting goods
- Employees: 67
- Web site: www.unicorngroup.com
- Implementation partner: itelligence Business Solutions (UK) Ltd.

Challenges and Opportunities
- Achieve financial visibility across a complex business model
- Keep customer service levels high
- Foster flexibility for continued growth and expansion
- Integrate multicurrency processes across procurement, manufacturing, and distribution
- Streamline order fulfillment to raise customer satisfaction
- Maintain a small-company culture

Objectives
- Deploy material resource planning (MRP) functionality of SAP® software to improve inventory control and logistics management
- Create a flexible, intelligent technology framework for the business
- Manage change collaboratively with SAP and implementation partner

SAP Solutions and Services
SAP ERP application

Implementation Highlights
Upgraded to the latest version of SAP ERP over a single weekend without interrupting business operations

Why SAP
- Affordable back-office software that can handle global operations
- Reliability of the company and software over the long term
- Expert local partner to provide implementation services

Benefits
- Savings of £500,000 (€579,700) annually with the introduction of MRP functionality at Unicorn's factory in Nottingham, England
- Twice the throughput with a slight reduction in staff
- Improved customer satisfaction
- Ability to upgrade with little or no downtime
- Proven scalability for future diversification

unicorn® The Big Name in Darts®

Unicorn Products Ltd. is a third-generation family company with a complex model for producing and marketing premium sporting goods worldwide. The owners needed expert help to overhaul its back office by integrating multicurrency manufacturing, distribution, import, and export processes while protecting its small-company values. They chose the SAP® ERP application, "the only package that could cost-effectively align our global operations and promise a long-term partnership," says Edward Lowy, Unicorn's managing director.

Known initially as a maker of darts and dartboards, Unicorn was founded in the 1930s by Lowy's grandfather, and in the 1970s also began manufacturing cricket bats in the wake of an acquisition. Besides producing and marketing those goods under its own brand, Unicorn also serves as the UK distributor for makers of table tennis supplies and billiards equipment. The business has grown to include a modest staff of 67 that oversees an extraordinarily intricate web of operations. "For example," says Lowy, "we often buy goods in distant territories and ship them halfway across the world without ever physically importing them into the United Kingdom." Financial processing can easily become tangled up on itself in this business model. Lowy stumped a number of would-be solution providers by asking how their accounting software would handle a recent shipment of goods under Unicorn ownership directly from China to South Africa.

Setting the Goals

As the new millennium approached, the legacy business management software at Unicorn was showing its age, and its evolving web of manual interfaces supporting disparate processes was becoming costly to maintain. Other companies were experiencing similar growing pains, however, and the marketplace was responding with integrated enterprise resource planning (ERP) solutions tailored to small and midsize organizations.

Even so, it was clearly going to take a special solution to automate Unicorn's multicurrency, multibusiness complexity and foster the scalability that would promote its continued growth. And few candidates could simultaneously preserve Unicorn's treasured small-company culture – in which, for example, Lowy signed on as a self-taught programmer for the legacy software after several years in unsatisfying corporate management positions elsewhere. Plus, in this challenging global economy, the company wanted to minimize the risks inherent in any large implementation by choosing a provider and a solution that would stand the test of time.

Lowy decided to look at SAP solutions, although he had his doubts that the companies would be a good fit. "We soon got over our natural prejudice against solutions from such a large and imposing company – and we were well and truly amazed," Lowy explains. "We could see in the earliest demonstrations that SAP software would create an intelligent and flexible framework for our business." And the SAP representatives could immediately suggest three different ways to solve his China-to-South Africa accounting stumper. Lowy was also confident that a joint team could work together comfortably to realize the business benefits of the project without importing a lot of

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ponderous structure and corporate attitude. So he chose the material resource planning (MRP) functionality of SAP R/3® software, available today in the SAP ERP application.

Keeping Customers Happy

The crucial issue for the first implementation of SAP software at Unicorn was matching supply and demand across the thousands of products on offer. Lowy's own 11-year-old patchwork system for the manufacturing arena was now straining to manage stocking and delivery. Customers, the single most important resource of the firm, were beginning to lose faith as order fulfillment levels lagged behind expectations. The new MRP software from SAP streamlined inventory control and logistics management at Unicorn's original factory in Nottingham. By supporting newly integrated procurement, manufacturing, warehousing, and shipping processes, the SAP software ultimately saved the company nearly £500,000 (€579,700) annually and doubled throughput while staffing levels actually declined slightly.

Customers once again gave Unicorn high marks. "I judge the success of an initiative by how well it helps my staff help my customers," explains Lowy. By that criterion, SAP software had certainly proved its worth.

Growing with the Company

After several years of faithful service, that first SAP solution was due for an update. In fact, Lowy jokes that Unicorn was probably the last surviving site using a number of lines in the older software code. After three months of careful planning and smooth implementation teamwork by personnel from Unicorn and itelligence Business Solutions (UK) Ltd., an SAP partner, Unicorn upgraded to the latest version of SAP ERP. The shift from one version to another took place over a single weekend – with absolutely no shortcomings that interrupted operations. "Our upgrade seemed as simple as shutting down the old system one Friday night and having the new one up and running when people came back in Monday morning," Lowy adds. "That would not have been possible without the sound architecture of SAP ERP and the collaborative expertise of itelligence."

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Going Even Further with SAP Solutions

New hardware has brought additional processing speed to Unicorn in recent months, and Lowy is examining supply-chain collaboration and e-commerce options based on SAP solutions. He's also eager to offer functionality for electronic data interchange to his retailers who deal with hundreds of stock-keeping units for sportswear products with multiple intersecting color, pattern, and size variants. Team members at Unicorn are further planning to lock in maximum benefit from projected diversification by integrating analysis across business unit boundaries with the SAP NetWeaver® Business Warehouse component. "In short, we at Unicorn see a bright future with SAP and itelligence," concludes Lowy.

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