

Editors Note

The rains have started, our gardens are lush and green and the air full of fragrant smells. The countdown to the end of the year has begun – the much anticipated, talked about 2012 – a year that has been turbulent, to say the least, but nonetheless exciting! We embrace the exciting and colourful environment we live and work in, keep our heads pointed towards the sun and our feet moving forward.

In this edition we talk about the Embrace User Forum, inviting all our clients to seize the opportunity to join this group and become part of a community of unmatched intellectual capital, offering unparalleled networking and idea sharing opportunities.

"Did you Know" that the Embrace Shipping module enables you to expertly and accurately manage your costs, routings, pricing, backorder allocations, shipment claims and returns?

With this in mind, we take great pride in presenting our Case Study showcasing how Embrace Streamlines Process and Distribution, ensuring profitability and success for ESP Africa.

We celebrate and share some of our Embrace Team members' special achievements, who at our financial year end function, were showered with accolades, prizes and praise. After an entertaining function, with superb speeches, food, wine, and company and "all that jazz", we left feeling inspired, motivated, enthusiastic and optimistic about the "new year."

I leave you with the words of our former great leader, Nelson Mandela, who continues to inspire our nation, "I am fundamentally an optimist. Whether that comes from nature or nurture, I cannot say. Part of being optimistic is keeping one's head pointed towards the sun, one's feet moving forward."

Jeanette



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ACS-Embrace User Forum Feedback

The ACS-Embrace User Forum – with a difference - took place earlier this year. This exciting and informative event was hosted by Agrinet and their management team, at their Head Office in Samrand and was well supported as all members of the ACS-Embrace User Group knew that this was an opportunity not to be missed.

The afternoon kicked off with a guided tour of Agrinet's 11,000 square metres Warehouse, where 12,000 items, per day, are picked, packed, loaded and delivered, using the Embrace Warehouse Management System (WMS). Having a web presence with online trading has been a critical factor in the success and growth of Agrinet's business and the increase in sales. Agrinet has always been an early adopter of appropriate technology and has worked with ACS to embrace and leverage off leading edge technology which has resulted in most of their customer orders being placed electronically over the internet.

The Agrinet team shared their experiences, presented an overview of their technical solutions and showcased their online trading solution, using Embrace Web Services, which has enabled them and their people to move closer to the customer, create a customer centric environment and promote interaction and customer service at a very different level. This dynamic, thought provoking presentation was followed by questions and discussions, resulting in a very interactive forum. Agrinet agreed that the key factor to their success was running on a single platform, with a fully integrated, real-time, end-to-end-solution, a strong web presence and a business partner who listens.

We, at ACS, listen to our clients and communication is of course very important to us. We receive extremely useful feedback through the User Forums and consider them a key vehicle for interacting with our clients. Because the user group shares the customer experience and gives feedback to improve product quality and functionality, their insights are invaluable, enabling us to translate the ACS-Embrace Solution into value for our clients' businesses.

The User Forum is about the ACS-Embrace community getting together, at least once a year, offering attendees the exceptional opportunity to talk to other Embrace clients, to network, share experiences, exchange ideas with experts from multiple fields and industries and to serve as the collective influential voice of clients shaping the future of our ACS-Embrace Business Solution.

Another big advantage is that users learn first-hand about ACS's strategic plan for further expanding and enhancing the Embrace product suite. Knowledge transfer is key and users are able to express their views on the proposed ACS-Embrace road-map and strategy, with a focus on improving the return on investment in ACS-Embrace software and technology.

We look forward to the opportunity to TALK to you at our next Embrace User Forum. If you are not already on the mailing list, please e-mail your details to: forums@embrace.co.za and you will receive your personal invitation. — Jeanette Teles



Did You Know?

- The annual investment companies make in inventory represents between 20% and 40% of invested capital and that imported products can represent 50% to 70% of this inventory.
- Foreign purchasing requires close control in order to expertly and effectively manage the process.
- Embrace Shipping enables you to accurately manage your costs, routings, pricing, backorder allocations, shipment claims and returns expertly.
- Increased planning and reduced inventory ensures reliable delivery times and promised quantities.
- Extensive costing functionality in Embrace enables exceptionally accurate landed cost values to be calculated early. This feeds into pricing considerations allowing for updates to be made before the stock is brought into the inventory module.
- Visibility on the backorder allocations improves communication between internal and external customers.
- Embrace's shipping module is fully integrated with the Purchasing, Inventory Pricing and Costing and Creditors modules.

Embrace Streamlines Process and Distribution, ensuring profitability and success for ESP Africa.



ESP Africa (Equipment Spare Parts Africa) was established in 1980 and specialises in the supply of replacement parts for Caterpillar Machinery. In addition, ESP carries a broad range of replacement parts for heavy duty diesel engines such as Caterpillar, Komatsu, Cummins and Detroit Diesel. ESP is also an authorised distributor of Berco undercarriage parts and a multi-brand distributor of ground engaging tools (GET) and recently launched its own brand of bucket tip castings and adapters, consisting of innovative designs to suit all applications. The company serves the aftermarket parts industry through an extensive network of 9 branches and 3 distributors throughout South Africa, Botswana, Namibia and Swaziland. ESP also offers a complete undercarriage reconditioning service from its 3 central workshops based in Johannesburg, Cape Town and Durban.

Until the late 1990s, ESP had been using a computer system through a Bureau, with limited functionality. *"We reviewed our business needs, including, sales, distribution, planning, purchasing, service and accounting and realised that we needed more comprehensive and flexible software"*, says Mark Behrens, ICT Manager. Consultants were involved in evaluating several different ERP packages. Embrace emerged on top and was chosen for several reasons, including rich functionality and suitability to ESP's business processes and local support and customisation facilities.

Embrace in its standard form, meets all South African specific requirements and compliances and is a comprehensive, solid, end-to-end solution, giving full visibility throughout the business; Embrace is extremely flexible with extensive functionality and reporting tools and is easy to customise to meet ESP's unique

requirements; *"And to top it off, all of this was wrapped with affordable, reliable, local support!"*

"We are driven by Sales and Inventory and Embrace is very strong in this area", continues Behrens. Critical functionality in the Inventory Module for ESP includes Alternate Part Numbers, Substitutes, Supersessions and an extensive E-Catalogue.

ESP has a library of approximately 65,000 part numbers, and more than 80,000 alternate numbers. Alternate numbers result from multiple suppliers having their own part numbers for the same item. When performing an enquiry or entering an order for a part, a list of the alternate references is displayed, from which a user can choose the correct part. This combines with a sophisticated customised substitutes system, where users type in an item, and Embrace lists the substitutes (equivalent parts) that can be used, displaying them all in price ascending order with details distinguishing each part. Branch and Group stock are also displayed. *"The substitute system applies to every program where a part number is input"* says Mark Behrens. If a part is obsolete or discontinued, it will display with a red background indicating that those items in stock can be sold but will not be replenished. Other colour backgrounds are also used to assist the salespeople with market and product related information.

E-cat is the ESP Catalogue System, set up in Embrace, which has been structured similar to a multi-level Bill of Material (BOM). Different BOMS are entered so that users can locate a product using different criteria. For example, using a car part analogy, the user enters the Make (*Toyota*), then Model (*Corolla*), then Year (*2000*), then Item (*fuel pump*). Alternatively, the user could look at fuel pumps, then Toyota, then 2000. *"E-cat is an essential sales tool, used extensively by the sales force, enabling them to advise and assist customers with their purchases. It is fast, easy to use and fully integrates with the sales order entry system."* Through an interactive phone call, sales staff can enter a customer sales order, interrogate the E-cat system from the item entry line, search and drill to the E-cat parent, and then select items from

the E-cat system to be added to the order. ***"This makes adding components for service, repair or overhaul of equipment straightforward and efficient, providing a superior customer service."***

"ESP's products are very price sensitive and Embrace allows us to manipulate selling price and margins directly on the product master. We rarely do across-the-board, price increases and most items are re-priced individually when shipments are in transit, based on information input into Embrace. We have developed our pricing model based on "OHIT" (On hand plus In Transit) costs as the financial liability is raised as the part is shipped." More than 90% of ESP's stock is imported, so exchange rate is monitored frequently and Embrace updated accordingly. "Margins in the aftermarket parts industry are very tight," Behrens adds. "So the ability to accurately and quickly analyse costs and adjust prices in the marketplace is essential!"

Purchasing Manager Keith Currin adds that

"Embrace has strong landed costing capabilities to help us track the progress of imports and to capture all costs related to each imported item".

Detailed costing information, which includes all tariffs and surcharges,

is derived through tools such as landed cost tracking, which enables ESP to accurately capture all shipping and freight costs.

Requests for parts not on the system are automatically recorded and subsequently analysed. Dependent on the frequency and quantity of the requests, parts are then added to inventory. These tools have been further enhanced to record the quantity requested, e.g. if a customer wants 16 but there are only 6 in stock, he may buy all 16 elsewhere. Embrace records the user, the time and date, to avoid misuse or duplication. The information is analysed regularly and stock quantities are adjusted accordingly. Having the right inventory in the branch is critical.

Certain customers are able to order on-line, using Embrace e-commerce. The sales order screen has been simplified for quick and easy

quote entry and management, and preloads all the customer's details as he logs in. Colour indicators display stock status for order lines, i.e. green, blue, yellow, and red so customers can easily see the status as each line is entered.

Quotes can be stored and amended and once confirmed, Embrace sends an e-mail response to the customer, thanking him and confirming his order number as well as to the ESP sales staff who then Pick, Pack and Ship the order. ***"This has reduced the cost and time of order processing for large customers,"*** says Mark Behrens.

Besides using the Embrace "mail facility" to notify sales and customers on order status, ESP also uses it to notify branches about IBT's (Inter Branch Transfers). It is critical that branch staff are advised immediately if a transfer request has been cancelled or amended. ***"There are a huge amount of transfers between our 9 branches with daily deliveries to each branch from Isando. IBT's are absorbed as part of our overhead and***

are an expensive cost of business", says Mark Behrens.

ESP Isando is the largest branch and is where all surplus stock is held. All other branches keep approximately six weeks stock. ***"With the high number of line items sold from each branch, it is critical to have an***

efficient distribution system to ensure stock availability in each branch," says Mark Behrens. To affect this ESP has implemented a customised version of the Embrace "Automated branch replenishment" tools, which looks at usage per item, per branch and replenishes branch stock accordingly. ***"The automated branch replenishment system has represented substantial savings for ESP, especially on transport and on time. We have reduced our overall costs on IBT's and increased sales by ensuring that we have the right stock at the right Branch at the right time!"*** says Behrens.

"EMBRACE has been a major contributor to the profitability and growth of our company. Our return on investment has been substantial with Embrace having more than paid for itself", Chief Executive Officer Andrew Grobler stated.



FAQ (Frequently Asked Question)

Q When I am running a report or batch job from Embrace, a pop-up window appears showing a progress bar. While this progress bar is showing, I cannot do anything else in this Embrace session. I can't even launch another session to work from. Is there a way to get around this inconvenience?

A Yes, if you press ALT F4, the pop-window will disappear, until Embrace refreshes it again. Whilst the pop-up window has disappeared, you can open another session or access other options on the menu bar.

Q When I am at a field that has a drop-down list containing my last used stack, is there a way I can just load the first value into the field without opening the drop-down list.

A Yes, just type a full stop and press <Enter> and the field will be refreshed with the first item in the drop-down list

Q At our last steering meeting, everyone shook hands exactly once with each other person present. Altogether there were 45 handshakes. How many people attended the meeting?

Hint

2 people shake once, 3 people shake 3 times, 4 people shake 6 times....



Annual Achievement Awards

Team members are nominated and voted for by their colleagues. The winners in the various categories were as follows:

Outstanding Contribution Award

This award is presented to the person who is voted to have made the most significant contribution within ACS over the past year. This year the trophy was awarded to **Barry Taylor** in our Embrace Custom Development Team.

Commitment Award

This award is presented to the person who is voted to have performed above and beyond the call of duty over the past year. This year's winner was **Angela Krige** in our Embrace Research and Development Team.

Silver Lining Award

This award is presented to the person who is voted to have been the most pleasant and obliging over the past year, while at the same time remaining positive in the face of adversity. This year's winner was **Erik Lutz** in our Embrace Research & Development Team.

New Staff Award

This award is presented to a person who has been with ACS for a maximum of 2 years and has achieved exceptionally. This year's winner was **Carina Joubert** in our Embrace Customer Support Team.

embraceTALK

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Team Embrace TALK

Our "Green Team" has started a "Treevolution" and launched a project to plant fruit trees at the Ikwezilokuza Home. Each department has been allocated a different fruit tree variety for them to sponsor and for each tree sponsored, a token with the team members' name and the colour of their department, will be hung on the ACS lemon tree.



We are planning a yearend tree planting party at the home on Wednesday 21st November and extend an invitation to all members of our Embrace community to join us. The planting may be a little strenuous but... *"Physical exercise - even for one minute - presses the reset button on the brain."* **Hugh Burkhardt.**

October saw the team all "jazzed up" for our financial year end function, to celebrate our team achievements, long service recognition and "All that Jazz".

Achievement Award Winners



Presented by last year's winners – From left to right: Emmanuel Mashele to Carina Joubert (New Staff Award); Sherman Wilson to Angela Krige (Commitment Award); Colleen Becker to Erik Lutz (Silver Lining Award); Samantha Blignaut to Barry Taylor (Outstanding Contribution Award).

Long Service Awards



From left to right: Marcel Kitay to Mannie Lucas (5 Years of Service) and Roger Ralph (5 Years of Service); William Hill (5 Years of Service) and Angela Krige (10 Years of Service); Samantha Blignaut to Joyce Graham (20 Years of Service).



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