

TOP TO BOTTOM

we know

they know

END TO END

IC Intracom consolidates global ERP with IBM and SAP

Overview

■ The Challenge

IC Intracom's main business is to source computer peripheral and networking products from Asian manufacturers and market them to consumers in other regions. With separate, aging ERP solutions in its US, European, Mexican, South American and Asian operations, it was difficult for IC Intracom to gain an enterprise-wide view of business data, limiting the company's ability to react rapidly to changing market trends.

■ The Solution

Working with IBM Global Business Services, IC Intracom implemented the IBM Express Wholesale Distribution Solution, a qualified SAP All-in-One partner solution, hosted by IBM Applications on Demand.

■ The Benefits

The three largest units – US, Mexico and Asia – now use a single ERP platform, sharing information and best practices, saving administrative workload by reducing manual processing; improved global reporting capabilities, helping the company react faster to market trends, customer needs, reducing expenses and increasing profits. IBM Applications on Demand provides a secure hosting environment for global operations.

■ Key Solution Components

Industry: Wholesale & Distribution
Applications: IBM Express Wholesale Distribution Solution, a qualified SAP® All-in-One partner solution.
Hardware: IBM System x™ servers
Services: IBM Global Business Services, IBM Global Financing

IC Intracom develops, manufactures and sources more than 2,000 PC peripherals, accessories and networking products, and sells them through PC retailers, resellers and system integrators in more than 90 countries. The company is headquartered in Tampa Bay, Florida, with its main Asian operations based in China and Taiwan, and employs more than 500 people.

The company's business model depends on its ability to bridge the gap between Asian manufacturers and consumers in other markets – sourcing high-quality, low-cost products and marketing them successfully worldwide with partners operating in the US, Europe, Mexico and South America.

To ensure efficiency, it is important for IC Intracom's western and Asian operations to share information in a rapid and effective manner, gaining a single global view of finances, sales and the supply chain. However, as the company grew, it had implemented a number of different IT systems in

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IC Intracom

different countries, and it was difficult to consolidate and reconcile data from the various business units.

“We were using an old, highly customized JD Edwards system in the US,” says Mary Alice Betts, Global CIO and VP of Finance and Operations US. “It did the job, but it was becoming increasingly difficult to modify it in response to the changing needs of the business.

“In Asia and Mexico, we had homegrown systems which were no longer performing very well and were quite unstable. They had been built by software engineers, many of whom had left the company, so it was increasingly difficult to find people with the expertise to fix them or develop them further.”

Flexible working

IC Intracom consulted IBM Global Business Services, which recommended the IBM Express

Wholesale Distribution Solution, a qualified SAP All-in-One partner solution.

“IBM Global Business Services offered us an opportunity to implement an SAP solution quicker and more cost-effectively than any of the other vendors we approached. Without the IBM Express Wholesale Distribution Solution, we would not have been able to afford such a comprehensive global ERP solution,” says Mary Alice Betts. “IBM Global Financing put together a finance package that enabled us to invest in the SAP solution without tying up too much cash flow.”

The local IBM team, led by Russ Robinson, provided full support to IC Intracom throughout the implementation and beyond. Says Mary Alice Betts, “IBM has an excellent focus on mid-sized businesses like IC Intracom, which helps us to achieve the same high-quality results as larger enterprises.”

The solution includes a number of SAP applications and handles all of IC Intracom’s core business processes – including financial accounting, cost controlling, sales and distribution and warehouse management. Some 270 employees are already using the SAP software, and the number is likely to increase to 480 in the near future.

“We have a global virtual private network (VPN) now, so I can be in China and log in to the SAP software to check on our operations in the US or Mexico,” says Mary Alice Betts. “And our customers can log in to our



website which is integrated with the SAP software. It's a much more flexible way of working."

Fully hosted service

To support the company's rapid growth, IC Intracom decided that a fully-hosted solution would be the best option, and chose to use the IBM Applications on Demand service for its SAP software environment.

"IBM Applications on Demand gives us a full application and infrastructure management service that gives us confidence in terms of stability and scalability," says Mary Alice Betts. "If we need to scale up our environment as the business grows, we don't have to plan an upgrade path or buy new hardware – we just ask IBM for more capacity."

She adds: "Both the IBM Applications on Demand team and IBM Global Business Services have been great. IBM has the best interests of its clients at heart, and was very responsive to our needs."

Right-sized solution

With the new SAP All-in-One solution, IC Intracom is able to gain insight into global operations in real time, making it easier to react to changing market conditions in a timely manner. Reporting on the whole enterprise is now a relatively simple operation, since all business data is held in a single central repository – there is no longer any need for complex manual processing to collate information from different systems.

"For business users the system is very intuitive and looks great, so becoming

accustomed to the new interface was not a big issue," says Mary Alice Betts. "But for those of us who deal with back-end systems, the difference is enormous. There is much less need to re-enter data because the different business units are now fully integrated – and in consequence, we can deliver a much better, faster, more accurate service to the business."

She adds: "Consolidating our ERP with the IBM Express Wholesale Distribution Solution effectively means that we can run our business as a single global company instead of 13 individual companies. It is a much more efficient and less costly way of doing business."

Working with IBM Global Business Services and IBM Applications on Demand has substantially reduced the expense associated with an IT environment to support a global organization. The hosted solution also gives the company the opportunity to benefit from enterprise-class ERP tools that it might not have been able to deploy and manage successfully without substantially expanding its in-house IT department.

"Traditionally, everyone thinks of big SAP implementations as not appropriate for small to midsize companies, but the IBM Express Wholesale Distribution Solution proves that this is not the case," concludes Mary Alice Betts. "With the SAP All-in-One solution, we can take advantage of the same tools that larger companies use, helping us to make the most of our potential for growth and profitability."

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IBM Deutschland GmbH
D-70548 Stuttgart
ibm.com/solutions/sap

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SAP AG
Dietmar-Hopp-Allee 16
D-69190 Walldorf

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