

# Case study: Save Cash & Carry

“The solution now in place has enormous potential for growth, which is a perfect fit for our business plans,” says Ebrahim Kajee, finance manager, Save Cash & Carry.

## Introduction

Save Cash & Carry is a wholesale business spanning across food and general merchandise. They required a world class solution that would help them to consolidate their current position and enable the business to grow, adapt and evolve. However, Save Cash & Carry did not want to carry the costs and operational complexities typical of large systems. The ReadytoRetail™ solution from UCS Solutions (powered by SAP Business All-in-One), met their requirements in terms of fit, timeframe and costs. They have recognised some of these benefits more recently when they expanded the focus of their business to include a retail element, which has complimented their traditional wholesale or Cash & Carry enterprise.

This change in their business model has allowed Save Cash & Carry to double their monthly turnover, from their 1st month of trading in the new format, with no additional IT spend or investment.

## About Save Cash & Carry

The company is a Cash and Carry operator, with a retail component. It is a single site operation with 10,000 sm<sup>2</sup> of floor space, located in Pietermaritzburg, Kwa-Zulu Natal. Save Cash & Carry boasts a broad wholesale and retail product range including FMCG (fast moving consumer goods) butchery, fruit & veg, pharmacy, electronics & through to general merchandise.

### Revenue

Save Cash & Carry's annual turnover is ± R600 million

### Market Segmentation

The company previously focused on the 1 – 5 Living Standards Measure (LSM), and is now appealing to the 1 – 8 LSM due to the improved facilities and focus on the retail / house wives market

### Vendors

In excess of one thousand independent suppliers

### Number of SKU's

In excess of forty thousand

### Number of Employees

Three hundred and fifty people

### Website URL

<http://www.sa-save.com>

### Database

- IBM DB2.

### Hardware

- IBM Rack mounted servers

### Operating System

- Redhat Linux

### SAP Systems Info

- SAP ERP for Retail Solution
- SAP PI – Process Integrator
- SAP BI – Business Intelligence

## Challenges and Business Objectives

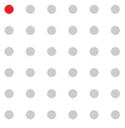
### The challenges:

Prior to the deployment of the UCS Solutions ReadytoRetail™, the business operations model was heavily reliant on manual intervention. This in turn led to job duplication, lack of transparency and compromised data integrity. Employees were burdened with cumbersome tasks that could be automated. Moreover, the legacy system did not provide the information required by the management team to guide the business into the future.

### The goals:

Management identified the need to standardise and improve efficiencies within existing operations, by:

- Regulating new systems with less reliance on key employees
- Improving controls and business processes
- Gaining access to accurate data with slice and dice reporting capabilities
- Improving stock control
- Improving trading margins
- Measuring and managing key business metrics over a flexible range of time periods



## The Solution

ReadytoRetail™, a retail and wholesale specific solution developed and implemented by UCS Solutions, which is based on the UCS Solutions ReadytoRetail™ (powered by SAP Business All-in-One) software platform.

### Why it was chosen:

Save Cash and Carry sought a long term business partner, with relevant IT and systems expertise specifically in the retail and wholesale sectors. UCS Solutions was selected as the preferred supplier due to its proven track record of successful implementation of SAP into retail and wholesale outlets.

### ReadytoRetail™ provides:

- A secure investment
- The ability to position the company for future growth
- A route to industry best practices.
- Ongoing support services outsourced to UCS Solutions reducing daily operational IT tasks and freeing Save Cash & Carry resources to focus on trading
- Rapid project implementation reducing the impact on daily business activities

### Business Benefit

- The ability to manage and measure "moving average cost"
- Significantly improve the procurement process, by using:
  - Delivery dates and managing supplier service levels
  - Blind receiving and especially the ability to manage over deliveries

- RF scanners used to receive stock via barcodes

- Extensive article master management
- Sites and site groupings
- Accurate and reliable information
- Pro active vs. reactive management practices
- Encourages expansion
- Ability to open new sites with control and speed
- Very quick - day end / month end processes
- Visibility of price overrides
- Ability to set selling prices by store
- Quick to create and adapt reports
- Greater visibility of key business metrics, for improved decision making and ultimately growth
- Slice and dice functionality allows for proactive exception management at a granular level leading to improved operational efficiencies and therefore cost savings
- Improved supply chain efficiencies through process automation and reduced manual entries and therefore errors
- Business processes were adapted to adhere to ReadytoRetail™, minimising changes and allowing rapid deployment of the solution

### Services Rendered

- Project Management
- SAP Consulting
- Retail Consulting
- End User Training
- Ongoing SAP Application Support
- Hosting (Network & Servers)

### Project Timeline

The project started in February 2006 and the entire company switched over to SAP in July 2006, resulting in a 5 month project.





## Implementation Highlights

- From the start, Save Cash & Carry was able to react to information provided by the system
- Deployment time was significantly reduced when compared with traditional implementations, causing minimum disruption to daily business activities and reducing costs
- Save Cash & Carry embraced the ReadytoRetail™ approach and rapidly adopted the template into its business with resultant return on investment

## Key knowledge acquired

- The importance of training and change management
- Start data purification as early as possible

## Save Cash & Carry caters for growth with UCS Solutions

For Save Cash & Carry, the primary objective was to establish a complete solution that would be flexible and capable of fulfilling the company's complex requirements and growth objectives.

The goal was to achieve results with a small IT staff complement and roll out the solution rapidly with minimal disruption to operations, whilst achieving some quick wins through improved efficiencies and stock management.

UCS Solutions explains how the customer's needs were met. "We proposed the UCS Solutions ReadytoRetail™ template (powered by SAP Business All-in-One) with tight integration into point of sale. The solution provides complete visibility and control across the entire organisation."

Furthermore, the reporting capabilities of the solution supplies management with crucial information at product margin level for individual stores. This in turn translates into an in-depth understanding of the business and affords the necessary tools to facilitate reaction to changing market conditions. The flexibility this offers is critical to the successful running of the company.

Save Cash & Carry was very clear on its requirements and vision for the future growth of the business. The management understood



the need for a solid IT platform which made the fit between the UCS solution and the customer's requirements - a good match.

### **Ebrahim Kajee, finance manager for Save Cash & Carry, reveals the company's requirements and how the UCS Solutions ReadytoRetail™ solution enables future potential.**

We faced the prospect of a core change in our business model from that of wholesaler to wholesaler-plus-retailer. This entailed redesign of our premises and many new products. Simultaneously we needed to set up a system that would provide overall management controls, no matter how many new branches we open.

The ReadytoRetail™ solution, with its strong SAP back end, provides excellent controls and reporting features that are essential for our fast-moving arena. At the front end, the POS system ensures our customers are served efficiently, no matter what products or quantities they buy.

In-house, we have only a small IT staff complement. It was important to us that UCS Solutions should provide extensive, outsourced support for deployment and maintenance of the solution.

UCS Solutions has provided excellent support throughout, from consulting and planning, through to final deployment.

## Going Forward

"The solution has enormous potential for growth, which is a perfect fit for our business plans. Additionally, the ongoing expert support from UCS Solutions makes us confident of seeing further value from the IT investment well into the future," Kajee concludes.



## About UCS Solutions

UCS Solutions is 70% owned by Business Connexion with the remaining 30% owned by the UCS Solutions Executive Management Team. The company provides services to support many top South African and international businesses whose focus is retail and the retail supply chain. UCS Solutions is acknowledged to be South Africa's leading provider of business solutions within the retail and wholesale sector. UCS Solutions has the expertise required to assist clients achieve better business performance through the delivery of turnkey solutions that span the complete range of retailers' IT operations. The company offers a comprehensive range of services encompassing strategic and process consulting, implementation, applications support, hosting services and knowledge business outsourcing.

### Size:

- UCS Solutions has +- 350 employees

### Location:

- Gauteng (Johannesburg)
- Western Cape (Cape Town)
- Kwa-Zulu Natal (Durban)
- United Arab Emirates (Dubai)

## About Business Connexion

Business Connexion is a black empowered integrator of innovative business solutions based on information and communications technology (ICT). They run mission-critical ICT systems and manage products, services and solutions for JSE listed and key public sector organisations, parastatals and medium-sized companies. Business Connexion is the largest JSE Listed ICT company in Africa and a market leader in its field.



## Contact

### Johannesburg:

+27 (0)11 518 9000

### Cape Town:

+27 (0)21 680 4000

### Durban:

+27 (0)31 279 9860

[www.ucs-solutions.co.za](http://www.ucs-solutions.co.za)