



Online orders processed every 10 minutes and 18% growth: that requires straight-through processing

Fossil is a design, development, marketing and distribution company that specializes in consumer products predicated on fashion and value. The company's principal offerings include an extensive line of watches sold in department stores and specialty retail stores in over 90 countries around the world and through its www.fossil.com website. Fossil also offers complementary lines of small leather goods, belts, handbags, sunglasses, jewelry and apparel.

Innovation and information technology has played an enabling role in Fossil's growth since its founding in 1984. Wanting to become more agile in serving its customers' needs, Fossil decided to implement the SAP AFS (Apparel & Footwear) Industry Solution. The ability to handle different product sizes and to process multi-store orders would ensure the company maintained its competitive advantage supplying department store doors including Nieman Marcus, Saks Fifth Avenue, Nordstrom and Dillard's, as well as stores such as JCPenney, Kohl's and Sears.

One Process, Multiple Applications

While SAP AFS running on an IBM AIX platform would be used to provide F&A, sales analysis and customer service management, Fossil would continue to use AS/400-based warehouse management system PkMS, from Manhattan Associates, to manage order processing, packaging, and product distribution at their US distribution center. From receiving orders through its website, via EDI or from its retail network,

BUSINESS CHALLENGES

- Reduce slack times in order processing
- Integrate SAP AFS & PkMS warehouse management applications
- Manage UNIX and AS/400 cross-platform dependencies
- Optimize workload distribution to meet business demands

AUTOMIC SOLUTION

- Intuitive configuration and design tools
- Certified SAP interfaces
- UNIX and iSeries support
- Easy to use colorful process visualization
- Automatic restart/recovery handling

CUSTOMER BENEFITS

- Significant savings in ASN penalty avoidance
- Reduced turnaround times of long running jobs
- End-to-end process visibility with granular control
- Increased throughput and staff productivity
- Improved performance against business SLAs

"We do have our annual business between September and November. The orders generated in this period place huge processing demands on our IT systems and staff. Coupled with the fact that Fossil has been growing rapidly year-on-year, it was plain that we couldn't carry on as we were."

Andy Hess
Vice President of Wholesale Applications

Fossil had to manage a set of business processes that would span applications as well as computing platforms to supply its customers from worldwide warehouse centers located in Dallas, Texas and Eggstätt, Germany.

Unable to Support Business Growth

To address this challenge, Fossil created a set of daily manual procedures ensuring orders were entered into SAP and passed to PkMS for processing. Andy Hess, Vice President of Wholesale Applications at Fossil Inc., picks up the story. "Slack times were built into our workload plans to ensure one task did not start before another was finished. We lost time this way, but I was impressed with how clever Fossil staff were in terms of managing the dependencies. They'd actually managed to make the best out of a bad situation."

"We could have continued like that if the company was growing at 1 percent per annum – but we were experiencing 10, 12 and 18 percent growth levels."

Andy Hess

Vice President of Wholesale Applications

Fossil were running a single SAP instance to support a 24x7 global business operation and this put great pressures on how they managed processing. Apart from a 4 hour slot following the US west coast close of business day there were no quiet periods. Fossil had to be very creative to ensure orders got processed and end-user service wasn't affected. But it was becoming very clear that the current manual approach would not support the current rate of business growth. Things needed to change.

Automate to Innovate

Fossil recognized they could benefit from automating and integrating their business processes that ran across SAP and PkMS applications. Three vendors were short-listed for evaluation and Automic was selected as the only provider that could fully meet Fossil's needs. Being able to configure and control processes running across UNIX and OS/400 systems, managing many-to-one dependencies, parent/child relationships and end-to-end process visibility using a single tool were key differentiators for Fossil.

The Automic Business Automation platform has been implemented by Fossil to automate processing across its worldwide wholesale retail operations. Orders received are booked into SAP AFS and allocated to PkMS for fulfillment and distribution. Automic manages the dependencies between these applications, ensuring orders get picked up for processing by PkMS and tracking numbers for order shipments get passed back to SAP. Automic also automates many of the internal background processing within SAP and PkMS applications.

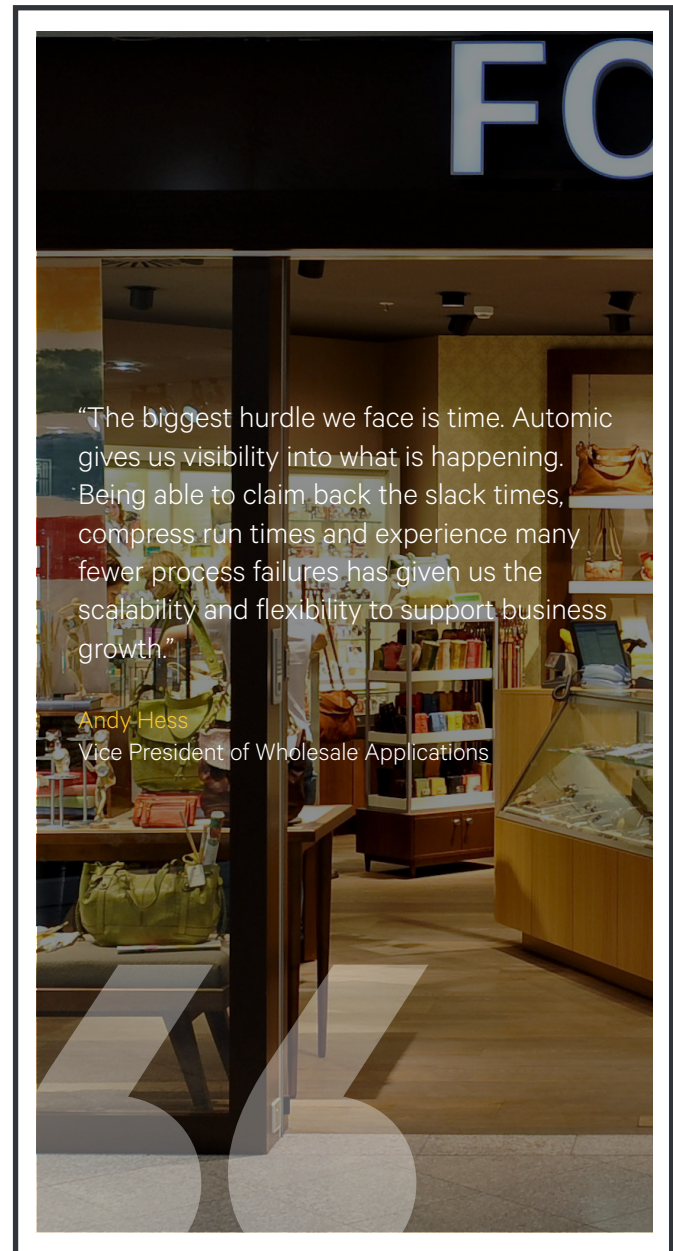
"With Automic, we are less dependent on 'tribal knowledge' of our processes and workflows. Automic gives us end-to-end process visibility. It's easy for us to drill down and see what's going on. This is especially useful when we need to make sure that critical processes meet business deadlines."

Andy Hess Vice President of Wholesale Applications

No More Penalty Charges

In addition to ensuring that orders get processed and invoiced, Fossil needs to produce Advanced Shipping Notices (ASNs) before 2am for each order shipped that day, informing customers when their orders will arrive. Fossil incurs a significant financial penalty each time it defaults on sending ASNs on time to many of its major customers.

and this is a big deal for us. SAP invoicing can be misrepresentative – child processes get spawned and while SAP may report invoicing has finished, invoice jobs are still running. We only want to start generating ASNs when invoicing really has completed. Automic allows us to run multiple jobs in parallel within SAP, broken down by customers. We can hold the end ASN jobs to ensure they go out at the same time or manually start the ASN job if things are running long and a given customer's invoices have already been generated. Prior to implementing the Automic Business Automation platform, we incurred many penalty notices a year. Automic gives us greater visibility of underlying job streams and we rarely incur penalty



For more information or product demonstration please visit www.automic.com