Envelopments

Customer-centric, BTO manufacturer of custom communiques and exemplary paper products selects SAP Business One as canvas for its ERP solution

> *" We were seeing a 30 percent year over year increase in revenue, and then it happened. With a large volume of orders, the business was just taking off – we really needed to be able to scale. "*

Mark Smith
Co-Founder/President, Envelopments

Company

Name: Envelopments, Inc.

Industry: Custom mix and match invitation components and design

Solutions: SAP Business One, Web Integration Toolkit

Headquarters: Santa Ana, CA

www.envelopments.com

Business Challenges

- Eliminate manual business processes
- Increase operational visibility through an integrated solution
- Control inventory holding costs
- Improve manufacturing lead times

Why Vision33

- Understanding of the unique needs of small to midsized businesses
- Expertise in customizing SAP Business One to meet industry specific processes
- Local, experienced consultants on site

Benefits

- Scalable ERP foundation that supports custom processes and real-time reporting
- Enhanced user experience through integration of ecommerce and SAP Business One
- Improved customer satisfaction with reduced lead time from 10 days to 14 minutes in certain cases
- 50% reduction in customer service overhead
- Web order requirements updated by custom MRP
- Improved machine set up times through batching every 2 minutes

For a small business with big business ambition, carving out a niche in the market presents many business challenges, especially when technology plays a role in delivering on that company's vision. That is why Envelopments is a cut above its competition. The company focuses on delivery of high quality products and services, and continually finding new ways to provide value to customers. Having pioneered the 'mix and match' design system and the innovative Pocket Folds® and Envelofolds® paper products, Envelopments offers the widest selection of card stocks, papers and envelopes. From new brides to businesses launching new products, Envelopments is able to meet the needs of their diverse customer base with a designer's pallette of more than 250 stocks, in over 100 shapes and sizes.

Filling out the Background Detail

For Envelopments, page one begins over twenty years ago, when the thendesign studio, operated out of the Irvine, California-based retailer, Elements. A pioneer in the production of custom invitations and announcements, Elements was in the business of selling paper products, ribbons and other materials that were then transformed by Envelopments to meet customer specifications. The successful mix of materials and design resulted in an increasing number of customer orders to fill. However, with manual order-taking processes and the same point of sale (POS) system used while operating in the retail environment, Envelopments' business process management was not optimal.

To Envelopments, being a cut above the competition doesn't mean just providing customers with exemplary paper products and custom communiques. Investing in a more robust infrastructure included larger warehousing to store inventory, additional manufacturing processes, and developing an extensive Dealer/Designer network to expand their product line and sales channels.

However without a solid, scalable business management software platform to manage its business growth, Envelopments did not have a free-flow of information necessary to control inventory and production costs, manage its vendor and customer relationships, or further scale its operations.

"As we grew, we were falling behind with our data flow and orders; having to hold large amounts of inventory to prevent stockouts resulting in increasing costs. This had to do with the lack of good reporting with our out-of-the-box accounting package which did not provide customized reporting or the business intelligence needed to support our scale of operations," recalls Mark Smith, Co-Founder and President, Envelopments. "Our goal was to implement a business management solution that would enable us to better manage our data, starting with order entry through manufacturing processes, all the way to shipping. At the same time, we needed to provide the company with the ability to customize reporting to obtain business intelligence that would support our specific business processes."

" We now have support for processes and detailed reports that we could not have imagined with other ERP solutions and know that we can achieve anything with our partner, Vision33. "

Mark Smith,
Co-Founder/President, Envelopments

Layer One – Order Placement

Envelopments has an intricate network of suppliers – its Dealer/Designer network has over 2,000 accounts, in addition to a direct to consumer sales channel. Up to 300 orders a day were sent using fax, email or phone and followup communication was handled via a team of six employees. Processing did not consistently follow a first-in, first-out model, as different criteria were used. This resulted in random order processing.

Layer Two – Fulfillment

Another area that needed to be addressed was order processing. From the point when an order was placed until it left the warehouse required 3 up to sometimes 10 days. With data flow issues, purchasing materials often resulted in not knowing what material amounts would arrive at the warehouse or whether they had what was needed to fulfill orders.

Layer Three – Inventory

Inventory was a challenge for Envelopments with vendors that had minimum order requirements. Without timely inventory reports, the solution was to order huge amounts of inventory to prevent the risk of stockouts, but much was going straight to the shelf. With a product line of over 50,000 SKUs, Envelopments also had a challenging time managing their assortment and determining what was selling best, who it was selling to most, what was most profitable, and the company's real costs. Reporting was accomplished by an exhaustive process of consolidating reams of data from different reports into a spreadsheet, and then trying to analyze spreadsheet data to get answers.

Vision33 implementation of SAP Business One

As part of the implementation process, Envelopments completed a Business Process Optimization engagement, which resulted in a better understanding of their business. The extensive look at each business process identified areas where the business could improve manufacturing efficiency. " The value in working with Vision33 as an implementation partner is in the high level of interaction with their Implementation Consultants. Our initial meeting with the Implementation Consultant gave us the confidence that this was an SAP partner that could deliver on their promise," explains Mark Smith. " Learning the ins and outs of our business, they are able to work as an extended member of our team. Their approach has been adaptive to our specific business needs, employing a 'what if we did it this way' approach."

Manufacturing more efficiently than ever

As a result of the implementation of SAP Business One, Envelopments was able to transform 40 percent of its warehouse, formerly committed to excess inventory with manufacturing machines. As a result, the company is much more efficient in knowing what to make and when. They have been able to push products through all the different cycles of manufacturing faster than was previously possible.

"With SAP Business One, valuable information is available through the click of a button. We've worked with Vision33 to develop a set of data-driven reports specific to our needs and available through a simple dashboard," describes Mark Smith. "Through these reports, we now have access to real-time data to make important line decisions."

Passing value on to the end customer

Coming from a retail background, Envelopments' focus has always been on how to improve the quality of the products and services delivered to the customer. With access to real-time data, Envelopments can now easily determine inventory levels. "With SAP Business One we now have complete operational visibility across our business, enabling us to predict and manage inventory on a minimum level so that we can eliminate excess holding costs," added Tom Johns, Vice President Business Development & Operations. " Now, when an order is made through our web site, in many cases we have achieved turnaround with the order processed and waiting for shipping in about 14 minutes. That's real value for our customers."

Focused on the Future. Moving Forward.

With the workflow mapped out and custom reporting built upon the SAP Business One platform, Envelopments already has a free flow of ground breaking ideas to deliver more value to their customers. With plans to open new dealers and direct to consumer business channels across all 50 states and 33 countries around the world, Envelopments sees growth in a number of new markets.

Prior to SAP Business One, Envelopments' customers were mainly wholesalers, stationery store owners, or graphic design firms fulfilling customer orders. However, the Web now plays a major role as Envelopments continues to provide more and more custom and personalized products. Working in tandem with Vision33, Envelopments continues to seamlessly tie the Web into SAP Business One through the zed Web Integration Toolkit – enabling the scalability and growth of the solution.

"SAP Business One is a solid solution that supports complete integration of all of our business processes, while providing the flexibility we need. When partnered with a dedicated and insightful partner like Vision33, we have been able to customize the solution and maximize the value we provide to our customers," describes Tom Johns. " We now have support for processes and reporting we couldn't have imagined with other ERP solutions. As a customer centric company, this means having access to the right data to manage business and ensure customer orders are always accurate – enabling 80% of orders to leave our warehouse the same day or next."

About Vision33

Vision33 Inc. is a global IT professional services consultancy that solves customer business challenges through the promise of technology and the value it delivers. We partner with growing and large organizations in both the public and private sectors to understand their vision and help them reach it with the right blend of strategy, consulting, and technology. Vision33 global team of results-driven resources provide world-class experience through our office locations in North America and Europe.

Vision33's SAP solutions provide scalable and integrated enterprise resource planning (ERP) technology to growing enterprises. We work with customers to connect their business processes from finance and expense reporting to procurement and inventory – transforming their operations and better managing subsidiary operations – no matter the size of their business. Vision33's dedicated customer support program, Vision33's world-class TOTAL Care support program ensures you have the tools needed to fully leverage your investment in technology.

Vision33's eGovernment practice delivers the right approach, expertise, and people to public sector clients to empower our government clients to be successful with technology. We have experts in the technologies and methodologies that are of most value to you. Working in partnership with Vision33, we will help you optimize your technology investment, delivering government services efficiently, reduce costs and improve overall citizen satisfaction. For more information about Vision33, visit **www.vision33.com**.