

CASE STUDY

DISTRIBUTION
(FOOD & BEVERAGE)

INDUSTRY NEWS

Orlansoft

Systemize. Integrate. Optimize.

THE COMPANY



PT. Semestanustra Distrindo (SND) engages in the distribution of food products. It is the main distribution arm of the food and beverage giant PT. Siantar Top Tbk.

Candies, crackers, chips, wafers, biscuits, noodles and beverages are typical food products being distributed by the company.

Aside from maintaining a vast distribution network that services thousands of registered retail outlets (customers) by way of branch offices and depots that span much of Surabaya, Madiun, Kediri, Malang, Jember, Madura, Semarang, Cirebon, Bandung, Bekasi, Pekanbaru and Medan, the company also trades directly with its larger customers in other regions, like Eastern Indonesia (IBT, Indonesia Bagian Timur).



"Orlansoft integrate users, processes and data in a centralized database to provide on-demand access to critical real-time information from a single source of truth"

Ferriyus – Independent Commissioner PT Siantar Top Tbk

THE CHALLENGES

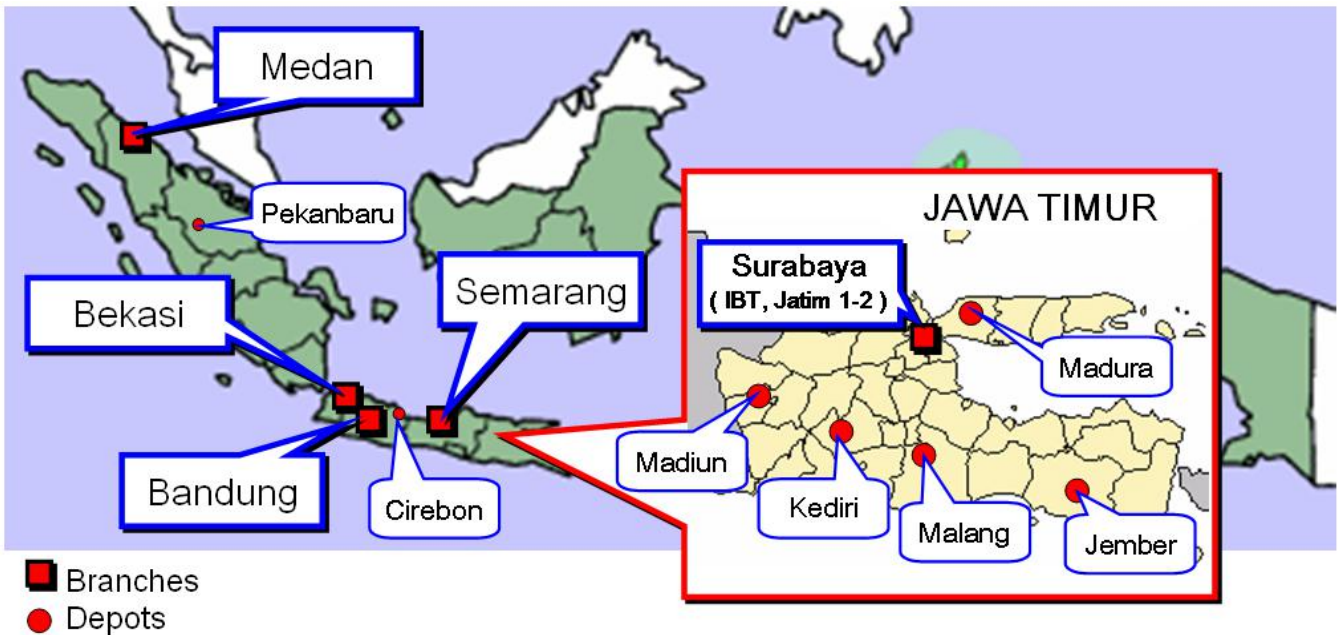
The first challenge is to provide a single, centralized database of registered outlets (customer) and integrate it with sales order management to get real-time information of effective call by salesman and branch. Security on the centralized database must be defined as such so that each branch can access only customers from that particular branch.

The second challenge is to develop a comprehensive and flexible sales price & discount management with the following features:

- Price and Discount by Unit of measurement
- Seasonal Discount
- Quantity Discount in % or amount
- Mixed-item bonus and discount
- Multiple level discount



Easy access to critical, real-time information from a single source of truth



THE CHALLENGES ..cont.....

The third challenge is to find an ERP software to automate the current sales order process without down-time. The ERP in question must support one-bill system feature (in which only one outstanding invoice for each customer is tolerated in the credit control). Credit limit and Credit Exception Audit Trail are also required in the Sales Order Process to enable easy credit approval process for orders to be shipped each day. The order processing cycle, from receiving orders from customers, checking available stock, credit approval, order fulfillment, right through sales invoice generation, must be processed quickly and redundant data entry minimized.

Sales order processing also requires a feature to help collectors easily manage daily collection, including collection status monitoring of every invoice and customer's post-dated checks tracking.

Since direct shipments from supplier's warehouse to customer's make up a significant volume, there should be an function that automatically connects and updates order entry, shipments, warehouse receipt and accounts payable.

Meanwhile, with warehouses spread in many cities, it is essential to manage inter-city order fulfillments. A warehouse in one city may order and receive replenishments from one in another city and everything is kept track on-line.

The fourth challenge is inventory management. Close monitoring of expiration date is necessary to maintain product quality. Inventory transfer among disparate warehouses must be controllable centrally from HQ and its status must be easily monitored.

The fifth challenge is centralized procurement and AP payment. A Purchase Order is issued from HQ to a supplier with orders to ship directly to various branches and depots, and then billed back to HQ. Billing verification and payment to supplier invoice is then handled at HQ.

The last challenge is centralized accounting. All transactions in branches must generate automatic journals for accounting purposes at HQ. The accounting department can then easily generate Balance Sheet and Income Statement by branch, as well contribution margin by salesman.

"We choose Orlansoft because the solution yields quick results to help us unify business operations of our branches and depots in a single system by providing a single access of data and minimizing redundant data entry."

Ferriyus – Independent Commissioner PT Siantar Top Tbk

Easy access to critical, real-time information from a single source of truth

”Orlansoft help us streamline operation by reducing transaction cost and processing time of order entry, order fulfillment, invoicing, and collection receipt process”

Ferriyus – Independent Commissioner PT Siantar Top Tbk

ORLANSOFT SOLUTIONS

PROSIA, an Orlansoft partner with extensive experience in distribution business, successfully helped SND team to implement Phase 1 of Orlansoft project within 2 months.

Orlansoft Sales dan Account Receivables went live for operations in Jatim I, Jatim II, and IBT branches, Madiun, Kediri, Malang, and Madura depots on May 2, 2008 (1 month after project kick off) and were immediately followed by Medan, Bekasi, Bandung and Semarang branches on the second month (including Pekanbaru and Cirebon depots).

The main achievement of Phase 1 was the integration of in sales order management (including credit approval process), order fulfillment, sales invoicing, Account Receivables monitoring, AR collection and post-dated check tracking in all branches and depots into a single system and replaced a fragmented, redundant entry operation in a legacy system.

Orlansoft Sales Price Management made it possible to apply complex marketing program (e.g. buy 10 cartons of items A+B+C and get additional discounts or free item A) in all branches in record time.

Orlansoft Master Data Management enabled easy access setting and management to customer information in each branch while reserving new customer registration at HQ, and keeping it all in one single database.

After the success in Phase I, implementation continued to Phase 2, in which Distribution and Financials modules of Orlansoft ERP - Core enterprise edition took on Order to Cash, Purchase to Pay, Treasury and Accounting business process at Head Office and Jatim I branch (including Kediri and Madiun depot) Phase-2, which had been originally expected to last 4-5 months, was completed successfully in 3 months time and went live on September 1, 2008

Orlansoft “drop shipment” feature sped up order fulfillment processing for orders requiring direct shipments from principal’s warehouse to customer site, by generating appropriate automatic purchase order and purchase receipt.

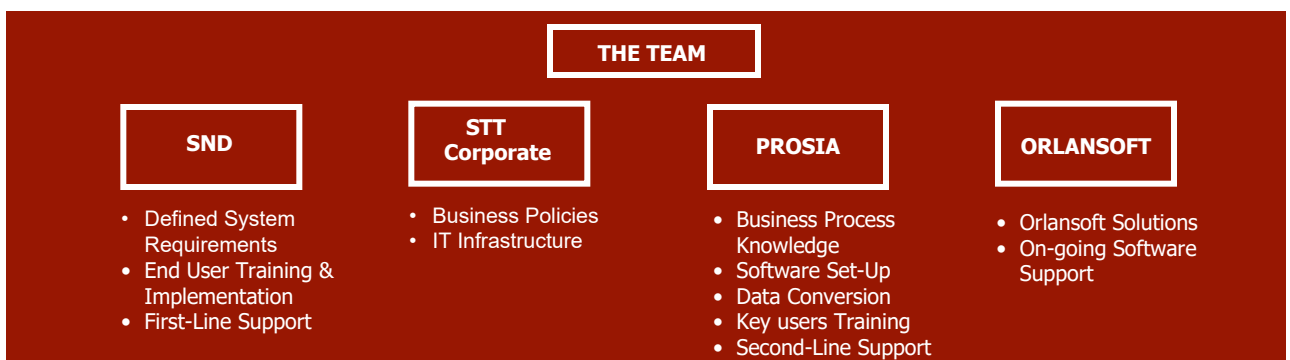
For transfers among the company’s warehouses, the Orlansoft Replenishment Order feature helped a lot in organizing centralized transfer requests and status monitoring both at the head office and the branches.

Orlansoft Inventory Management made it easy to track batch numbers and expired dates of inventories in branches and depots. It also enabled the company to make use a feature in which shipments would automatically propose items with the oldest expired date first.

Orlansoft Inter-Entity Settlement made it possible for the head office to implement centralized issuance of Purchase Orders to Principals for better inventory planning. It also supported centralized payments to Accounts Payable, and at the same time facilitated cash-flow management by generating Balance Sheet and Income Statement for each branches.

Orlansoft Tax Management provided support for supplier Tax Invoice registration and generate both Standard and Simple Sales Tax Invoice#

The success in Phase-2 inspired the team to continue the Phase-3 implementation for Jatim II, IBT, Medan, Bekasi, Bandung and Semarang branches.



Easy access to critical, real-time information from a single source of truth

THE RESULTS

PROSIA and Orlansoft successfully implemented SND Distribution and Financial Integration within the expected schedule. Orlansoft delivered following benefits:

- **unified business operations** of Order To Cash Business Process of all branches and depots primarily in sales price management, order fulfillment and invoicing, Inventory Control, AR Collection and centralized Purchasing & AP Control Business Process.
- a single access of registered outlets (customers), salesmen and items master data and **minimized redundant** data entry by eliminating repetitive entry of sales transactions, AR, and inventory in each branches and accounting transactions in head office legacy system
- **streamlined operation** by reducing transaction cost and processing time of order entry, order fulfillment, invoicing, and collection receipt process
- Integration of users, processes and data in centralized database to provide on-demand access to critical, real-time information, particularly Effective Call Reports, sales performance analysis, Contribution Margin by Sales Team/Sales Rep, and Financial Statement by Branch from **a single source of truth**.

HIGHLIGHTS

Company Name Industry	PT. Semestanustra Distrindo Wholesale - Distribution (Food & Beverage)	COMPANY
ORLANSOFT Solutions Sites Implementation Time Platform Environment	Orlansoft ERP – Wholesale Distribution Industry Solution Head Office : Surabaya Marketing Office : Surabaya Branches: Surabaya, Medan, Bekasi, Bandung, Semarang Depots: Madiun, Kediri, Malang, Madura, Jember, Cirebon, Pekanbaru Phase 1 : Sales & AR modules for all branches & depots in 2 months Phase 2 : All Distribution & Financials modules - Head Office, Surabaya Branch, Madiun & Kediri Depots in 5 months Phase 3 : All Distribution & Financials modules - All branches and depots (excluding in phase-2) –in 3 months PC Servers with Microsoft Windows 2003 Server and Fedora - OS Sybase SQL Anywhere 10.xx database, Microsoft Windows XP/Vista - OS	SOLUTION
	<ul style="list-style-type: none"> • Unified Order To Cash Business Process of all branches and depots. • A single access of registered outlets (customers), salesmen and items master data • Streamlined operation by reducing transaction cost and processing time. • On-demand access to critical real-time information from a single source of truth 	RESULTS

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