opentext™

SUCCESS STORY

HTC Group

Industry
• Retail

Solution
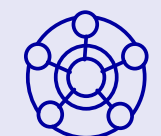• OpenText™ Freeway Professional

Results

📄 **Created** ability to handle multiple sub-distributors at the same location, with easy consignment identification, tracking and billing

👥 **Streamlined** onboarding of customers to just a few minutes with little bespoke development required

💵 **Improved** efficiency of order-to-cash process through accurate order and bill processing

⚙️ **Increased** automation and seamless integration to SAP® B1

HCT | Group

HCT Group streamlines processes with OpenText Freeway Professional

Automation of complex order and billing processes and seamless integration of EDI with SAP B1 increase efficiency and consistency of procedures throughout the organization

"OpenText worked with our customers across Europe, in a multilingual environment, to provide customized solutions for each one, enabling the integration of our systems with our trading partners."

Ken Peckett
Internal Systems Manager
HCT Group

The HCT Group specializes in the design and manufacture of luxury packaging and turnkey solutions for the cosmetics industry. Established in the UK in 1992, the company began by manufacturing innovative packaging products and has grown to incorporate brand creation, design innovation, product development and logistics. Today, the Group has offices spread across Europe, the US and Asia.

Expansion creates need for greater process automation

HCT Group's full-service cosmetics business has seen an exponential rise as the company takes on new customers across Europe. *"This strategic development has led to a meteoric growth that has required a rapid change in our business processes,"* said Ken Peckett, Internal Systems Manager at HCT Europe. *"We are regularly getting customers placing orders with between 300 and 500 SKUs. Where previously we were able to provide a good service with a manual ordering process, we quickly realized that our business growth demanded a move to a more automated, electronic ordering process."*

With seven HCT companies in Europe, the company's headquarters in London houses centralized business functions, such as finance, logistics, product development, design, marketing and project management. As the business grew, the company decided it needed to integrate its EDI software with its corporate ERP system, SAP® Business One (SAP B1).

"Once we got SAP B1 as our central ERP and accounting system, we were very keen to automate our business processes so that there would be as little manual processing as possible," said
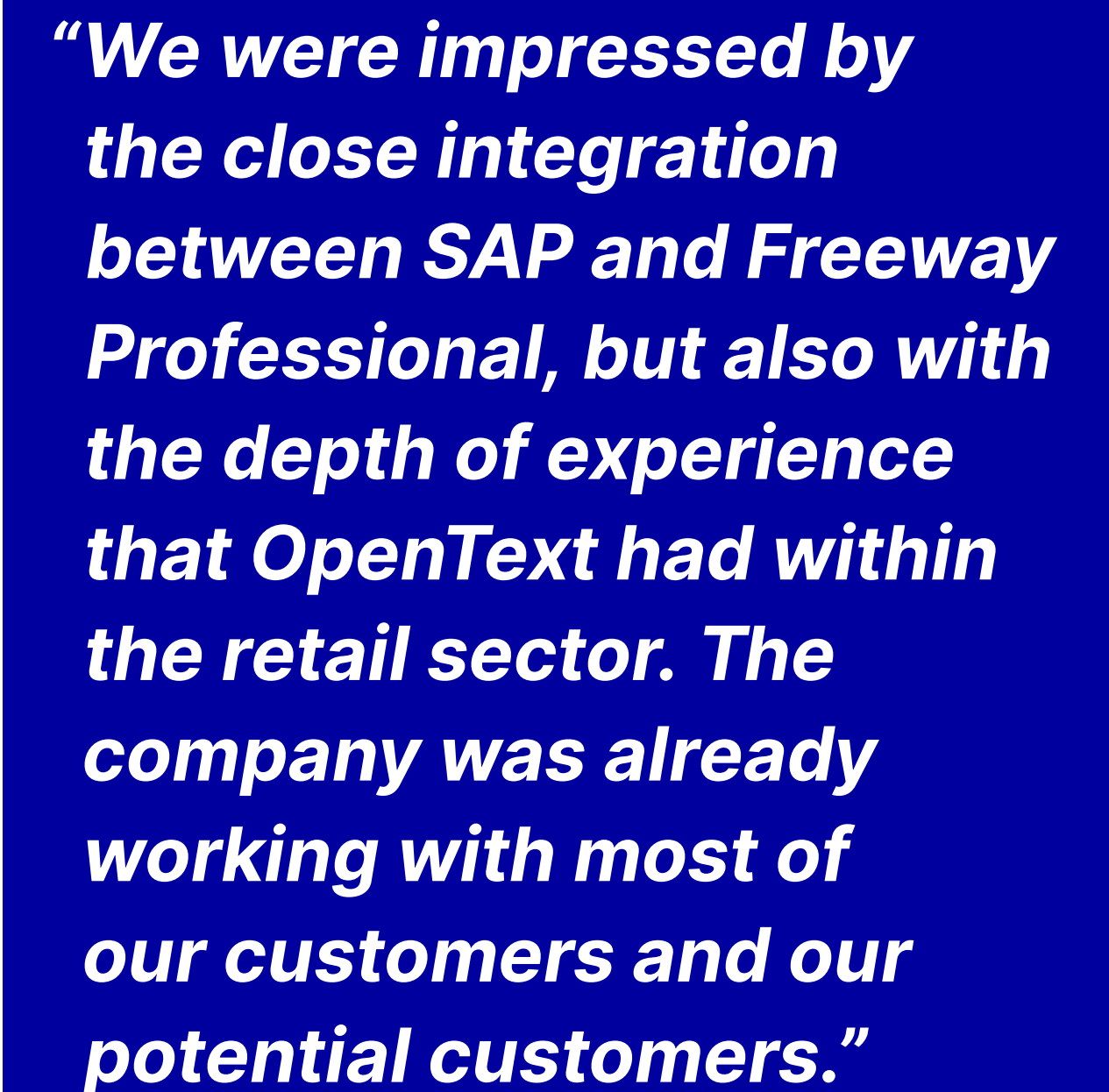
Peckett. *"We knew that integrating our ERP and EDI systems would enable a good deal of the ordering and invoicing process to be automated. We approached our SAP provider, who recommended OpenText Freeway Professional for its seamless integration with this ERP."*

The HCT Group evaluated three EDI providers before deciding to go with their SAP provider's recommendation to go with OpenText™ Freeway Professional.

"We were impressed by the close integration between SAP and Freeway Professional, but also with the depth of experience that OpenText had within the retail sector. The company was already working with most of our customers and our potential customers. It was clear that they understood the sector we are in and what we needed to do to implement electronic trading successfully."

Choosing the most appropriate EDI solution was only one challenge facing the HCT Group. The company was seeing impressive business growth across Europe, especially in France and Spain, and needed to quickly and effectively onboard those European customers to be able to receive orders.

"OpenText worked with our customers across Europe, in a multilingual environment, to provide customized solutions for each one, enabling the integration of our systems with our trading partners," said Peckett. *"Often, we have presented them with a challenging environment and they have been able to provide a solution to our problems quickly and with the minimum of fuss."*

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Tackling complex orders and meeting challenging timeframes

The HCT Group uses Freeway Professional to exchange orders and invoices with their customers throughout Europe, across the OpenText™ Trading Grid™ EDI network. They receive some extremely large orders and some customers, such as EuroMadi in Spain, act as the lead in a buying consortium for a community of associates, which adds complexity to the process.

"It's not so much the amount of orders we receive but the size of some of those orders, which can be complex," says Peckett. *"For example, we receive one order a day from one of our French customers that regularly includes more than 300 SKUs to be delivered to more than 1,200 separate stores. That represents 80 to 100 hundred pages of orders that have to be processed. If we receive the order at noon, it has to be ready to be sent to our logistics partner by 2 pm to meet our next-day delivery schedules. Only the close integration of Freeway Professional and SAP allows us to achieve this.*

Processing the order is only half the challenge. The company needs to know the correct orders have been sent to the right locations and that it has the correct details to bill the right people. For example, one customer has more than 300 associates that must be able to send and receive orders and invoices individually and each associate has a slightly different implementation of EDI.

OpenText helps handle non-standard EDI standards

EDI is a mature technology that delivers a reliable standards-based data exchange format. But HCT has found that many organizations have amended their EDI documents to better suit their business practices. Often the documentation that accompanies these internal changes is either inadequate or lost.

The HCT Group challenged OpenText to ensure that all of the different EDI systems would operate seamlessly together. *"There were a number of challenges,"* said Peckett. *"We could receive documentation that wasn't always correct for the system we were connecting to. Our customers are very focused on billing and payment but not EDI. In most cases, they saw any EDI issues as our problem. And, all of this was taking place in a multilingual environment. Luckily, we were able to pass this challenge on to OpenText and they'd work with our European partners, and remarkably, nine times out of 10, they'd sort it out the first time."*

In one instance, a European distributor worked with five sub-distributors. The HCT Group would receive a single order for all six organizations but would have to distribute the product and invoice separately. Three of the sub-distributors had their product shipped to the same delivery address, making it difficult to see who was responsible for which order. OpenText modified the Freeway Professional software so that it could distinguish which order belonged to which sub-distributor and they could be invoiced correctly, without any manual intervention from HCT staff.
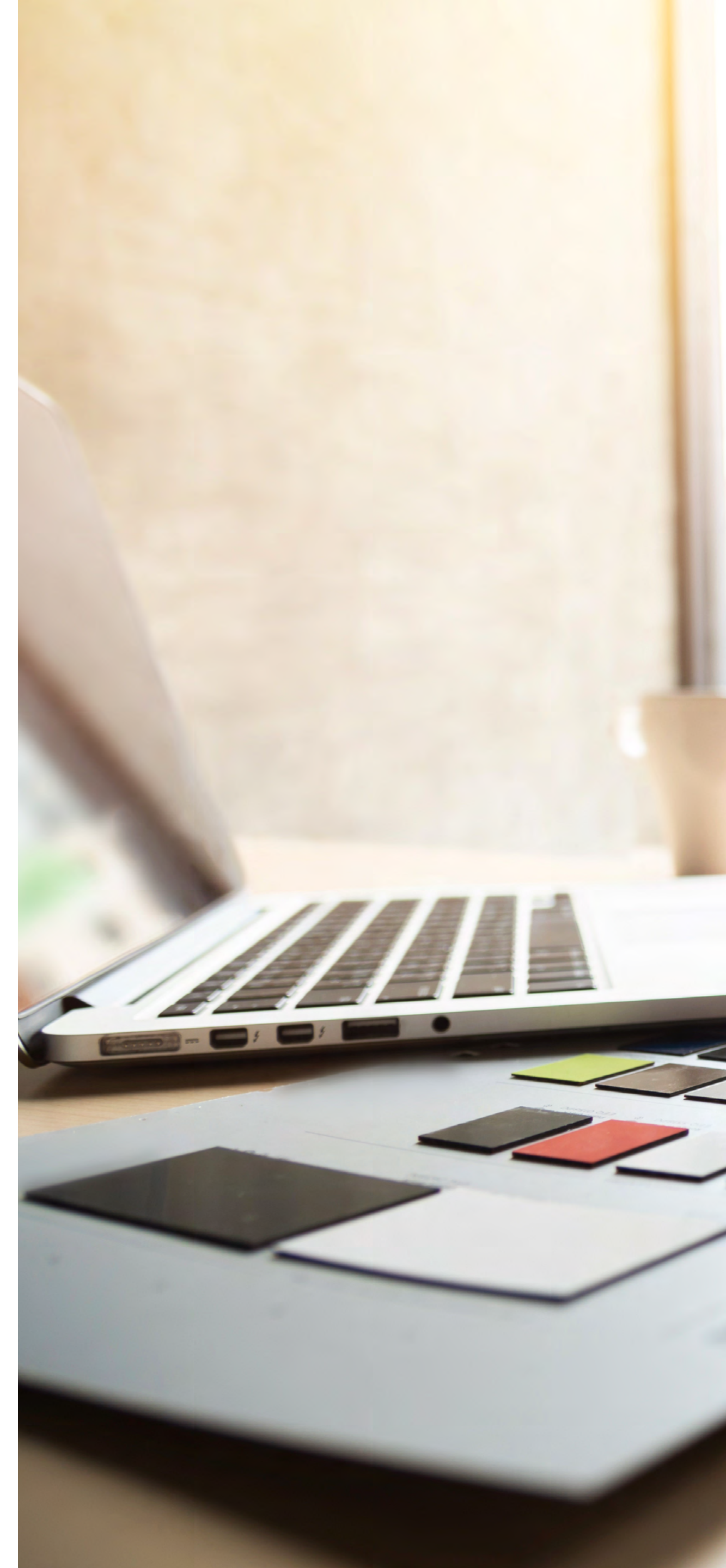
"The learning curve for us has been to fully understand the information that our customers require on their orders and invoices from the outset. Each has slightly different needs and, once identified, OpenText has proven its ability to quickly turn that into a fully functioning solution," said Peckett. *"Their development team has always worked hard to accommodate our short-notice project development needs. Some people told us that they were too big a company to service a medium size business such as ours, but we have certainly not found that to be the case."*

Establishing a model for future expansion

When working on the launch of its Lola range of cosmetic products with a major UK retailer, Freeway Professional helped ensure smooth ordering and invoicing of products during the trial, which ran in 50 stores, and during the rollout across the entire chain of stores.

Peckett believes this project is an ideal demonstration of another benefit in selecting OpenText. *"Since implementing Freeway Professional, we have asked OpenText to undertake a good deal of bespoke development work, but the company's long-standing working relationship with key retailers worldwide means, in many cases, there is little work to be done, integrating systems takes minutes and costs almost nothing. That's been the case with this project. The trading element has been something we simply haven't had to worry about,"* he said, adding that this project was a model to be followed when signing up more major retail customers.

"We aren't a huge company, so we have to be careful how we grow. Over the next few years, we will look to consolidate and build our base of European retailers. Freeway Professional will be our EDI solution to aid this planned expansion."

hctgroup.com

About OpenText

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