



STYLEWEST

SAP® BUSINESS ONE POSITIONS FASHION WEAR COMPANY FOR ITS NEXT GROWTH STAGE

“SAP Business One really unified StyleWest; it pulled together all our different departments and functions under one umbrella.”

Dave Sengstaken, President, StyleWest

QUICK FACTS

Company

- Name: Sengstaken Enterprises Inc., d/b/a StyleWest
- Location: Oxnard, California
- Industry: Wholesale distribution
- Products and services: Sales, marketing, and distribution of specialty fashion footwear and accessories
- Revenue: About US\$10 million (2008)
- Employees: 35–60 (seasonal)
- Web site: www.stylewest.net
- Implementation partner: Softengine Inc.

Challenges and Opportunities

- Upgrade an outgrown legacy IT system
- Develop a consolidated view of the company
- Provide a single source of data for all departments
- Prepare for future growth

Objectives

- Implement a professional software application incorporating GAAP
- Unify the company under a single database
- Implement a software application that would grow with the company for the foreseeable future

SAP® Solution and Services

SAP® Business One application

Implementation Highlights

- 1-month implementation, including user training
- Minimal customization

Why SAP

- Most easily expandable
- Flexible
- Most professional implementation partner

Benefits

- Unified company database
- Improved customer service
- Applied GAAP to financials
- Provided for future growth

Existing Environment

Multiple instances of Intuit QuickBooks Premier

Whether life's a beach or a puddle, it's all the same to Sengstaken Enterprises Inc., d/b/a StyleWest. The Oxnard, California, company supplies flip-flops, swimwear, and coordinated rainwear to high-fashion retailers across the United States. But while the company was making a big splash in chic circles, behind the scenes it was mired in an IT swamp. Management solved the problem in characteristic fashion, by raising the umbrella of the SAP® Business One application over the whole company and coordinating operations under it.

StyleWest was founded as a marketing and public relations agency in 1998, but the company principals soon decided to expand into sales and distribution. Starting with Havaianas flip-flops, they established the brand as a leader in fashionable beach footwear by confining distribution to high-end boutiques and department stores. They subsequently added Cia.Marítima, the top Brazilian beachwear brand, to their client list, and followed that with a successful launch of their own brand of coordinated rainwear, called *däv*. The brand, which featured matching sets of boots, handbags, and umbrellas, was an instant hit. One rainwear pattern on the theme of dogs was inspired by the principals' dedication to animal rescue agencies; the company donates a portion of the proceeds from the sale of these items to the Cesar and Ilusion Millan Foundation, the "Dog Whisperer's" charity supporting canine shelters and rehab organizations.

As the business grew, however, so did its IT problems. "Our customer service department was the heaviest user of the platform, which was QuickBooks,"

recalls Dave Sengstaken, president of StyleWest. "And we had really pushed it to the max. We had as many users as it would accommodate, and the files were so big that the system was really getting bogged down. So entering an order, for example, was an excruciatingly slow operation. The system was also prone to crashing, particularly as our files got larger and larger."

Because StyleWest was representing different brands, the company needed a separate file for each to see how that particular brand was performing. Merging all that data to provide a consolidated view of the company was another challenge.

Professional Foundation

Faced with inefficiencies, multiple instances of software, and unconsolidated data, StyleWest management decided it was time to take action. They went into the market to look for a more capable replacement for the software they had outgrown.

"We had two goals in mind," says Robert Angstadt, director of operations at StyleWest. "We needed a system that was professional and based on generally accepted accounting principles. Our previous system was well-known but not preferred by banks and accountants for the size the company had become."

Consolidated Company

The other goal Angstadt had in mind was to consolidate the entire company on one platform. "I wanted software that had one database that could support multiple divisions. It had to let us run reports and view each division individually, review its merits, and make decisions accordingly, and then look at the big picture of the company as a whole."

StyleWest reviewed several packages, including the next step up in Intuit's QuickBooks line, as well as Sage, MAS 90, and SAP Business One. "StyleWest wanted a system that it could grow with, that would consolidate the companies, and take care of all its informational needs into the foreseeable future," says Barry Lederman, vice president of business development at Softengine Inc., an SAP gold partner. "And, of course, the company wanted this at the lowest possible cost and the quickest possible delivery."

"It finally came down to SAP and this little local company called OMS, Office Master System," says Angstadt. OMS had expertise in the footwear industry, and its price tag was lower; nevertheless, StyleWest management selected



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Softengine to implement SAP Business One for them. “From our research, we felt like SAP Business One was going to be the most easily expandable and flexible solution to work with,” says Sengstaken.

Adds Angstadt, “Softengine was really willing to work with us to get us up and running quickly and to adapt the way they worked to our needs. Certainly it was the most professional of all the organizations that spoke with us.”

High Percentage of Needs Met

“We were able to demonstrate to the people at StyleWest that our application takes care of a very high percentage of their needs right out of the box,”

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Dave Sengstaken, President, StyleWest

says Lederman. “Then, when they finally made their decision, they wanted it implemented right now.”

Softengine delivered. The company made the quote on February 26, completed and tested the application on March 22, delivered user training and other requirements, and went live the first week in April. Essentially, it was a one-month timeline to implementation.

“Softengine was there to hold our hand and listen to our concerns, both from a budgetary and a customization

standpoint,” says Angstadt. “Softengine staff adapted their schedule to fit with what we were trying to accomplish. They were very flexible and really tried to have our best interests in mind in installing and tailoring the system to our needs.”

Shining Success

“All the other competitors were very skeptical that this implementation could be done in such a short period of time,” adds Sengstaken. “And that was Softengine’s shining success, meeting the time frame that it had committed to.”

StyleWest was keenly aware that customization was going to cost not only money but, even more important from the company’s viewpoint, time. So company

management appreciated the fact that SAP Business One supports best practices within the industry with minimal customization. Coordinating with Softengine, management staff worked to create a clear implementation outline that established the minimum customization possible while still tailoring those top areas where a very quick payoff might result.

Accordingly, customization was confined to the look and feel of the sales and accounting functions. “When we’re entering an order into SAP Business

One, there is some of the nomenclature we use as a company,” says Sengstaken. “We did keep those changes to a minimum. But we’re customizing more as we grow.”

SAP Business One has now established a level of accountability within the StyleWest organization that wasn’t there before. With QuickBooks, for example, it was possible to place an order even if the inventory wasn’t there, have the inventory go negative, and worry about it later. SAP Business One simply will not allow that. If the inventory isn’t there, it will not permit a shipment or an invoice.

Better inventory control also leads to better customer service, because now it is clear what products are going to ship and when. Customers know exactly when they will be receiving stock. And staff can respond more intelligently to customer queries, simply because the information is now available to them.

GAAP Compliance

There are similar new constraints on the accounting side. “We now have a software package that is in line with our internal GAAP principles,” says Sengstaken. “This is good for us and also for the banks we talk to about company growth.”

With SAP Business One also comes a new consolidation of the files from sales, marketing, distribution, and accounting. All that information is now in one database that each department

can access as required; in a trans-departmental discussion, everyone is now literally on the same page.

As far as growth is concerned, the sky is now the limit at StyleWest. "As we continue to grow, SAP Business One will keep up with us and enable us to manage that growth without any surprises," says Sengstaken.

As StyleWest becomes acclimated to its new software, improvements are on the horizon. "There is just an unbelievable number of components that you can add on to SAP Business One to help your business," says Sengstaken. "And it's exciting to know that if we run into some challenges, there most likely is already a piece of software written by one of the many SAP partners out there that will provide a solution for us."

One Umbrella

Wrapping up, Sengstaken surveys the new environment at StyleWest. "If you look at where we started, the departments were very much like a bunch of silos, a patchwork of different functions and different data – accounting, sales, inventory, financials, marketing, and so forth. Everything was pieced together with spreadsheets and databases. SAP Business One really unified StyleWest; it pulled together all our different departments and functions under one umbrella. So now we have much-improved, up-to-the-minute information at hand to help us make much better business decisions down the road."

Will StyleWest introduce a new umbrella line with the SAP logo on it? Only time will tell.



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