

# Whitcoulls

**CASE STUDY:****WHITCOULLS****INDUSTRY:**Publishing  
Retail**COUNTRY:**Australia  
New Zealand**B2BE SOLUTIONS:****EDI**

## AT A GLANCE

### BUSINESS OBJECTIVE

Bookseller A & R Whitcoulls needed a partner that could co-ordinate a high volume of EDI traffic to and from its suppliers on both sides of the Tasman.

### SOLUTION

B2BE implemented an EDI purchasing and invoicing system.

### BUSINESS BENEFITS

More efficient and accurate Purchase Ordering, goods receipting, and invoicing has saved both A & R Whitcoulls and its suppliers time and money. A & R Whitcoulls also benefits from having centralised and up to date information on the exact stock positions of individual stores.

## B2B e-Business By The Book at Whitcoulls

Whitcoulls has managed to save on eighteen extra staff handling 50,000 purchase orders and invoices every month using B2BE's B2B document exchange solution. And as Michael Foreman reports, the system is also allowing faster ordering and lower stock holding.

### The Client

A&R Whitcoulls Group is the owner of a number of prominent brands on both sides of the Tasman. While the group is best known for its Whitcoulls bookstores in New Zealand and Angus & Robertson (A & R) bookstores in Australia, it also owns Calendar Club, Travel Stores, and the WH Smith bookshops at Auckland and Wellington airports. All of the above divisions are wholly-owned by Pacific Equity Partners.

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### The Challenge

Keeping all of these outlets stocked with merchandise is a considerable undertaking. The bookstores don't just sell books and periodicals; the full range extends to all types of stationery, DVDs, videos, computer and board games, as well as many other gift items.

A&R Whitcoulls systems support group (SSG) manager Maureen Maloy, says both Whitcoulls and A&R have an active list of 150,000 SKUs each and both

companies will typically place around 50,000 Purchase Orders per month. Some of the larger Purchase Orders may contain hundreds of line items.

"In the past, individual stores did their own ordering, goods receipting and invoicing on standalone systems," says Maloy.

Then in 2000, Whitcoulls implemented SAP for Retail - with A & R following suit in 2004 - and started to order centrally.

"What used to happen was that our head office would get a spreadsheet from the major distributors detailing the products on offer and we would send a spreadsheet back saying which ones we wanted," says Malloy. "One of the problems with this system was that each vendor had a slightly different format which took a lot of working around and follow ups by phone."

While this system worked adequately with the bigger suppliers, it did not cater for the myriad of smaller publishers which are a feature of the book trade. The bulk of Purchase Orders on each side of the Tasman are placed with about 20 main suppliers, but the full list of suppliers runs to around 1,000 distributors and publishers.

While it is much easier for A&R Whitcoulls to deal with the larger distributors Maloy explains that smaller suppliers also have an important role to play.

## WHITCOULLS

“Usually the smaller suppliers are supplying a specialised product, such as a book with local significance which needs to be stocked in a certain city or area. While the big distributors have full electronic facilities some of these smaller suppliers are still working with a fax machine.”

What A & R Whitcoulls needed was a partner that could act as an electronic clearing house between the retailing operations on both sides of the Tasman and the suppliers, from the largest distributors and to the smallest back room publishers, in Australia and New Zealand.

### The Solution

It found such a partner in B2BE (formerly called The ECN Group in New Zealand), which specialises in providing integration and messaging solutions that enable businesses to electronically manage and exchange a broad range of information flows across their organisations and communities of interest.

Two subsidiaries of B2BE - in New Zealand and Australia - had already developed relationships with Whitcoulls and A & R respectively, but last year these relationships were put on a formal footing with the signing of a partnership contract between B2BE and A & R Whitcoulls’ owner Pacific Equity Partners.

The partnership has allowed A & R Whitcoulls to effectively outsource the B2B document exchange between the retailing arms and the suppliers, which has delivered improvements in efficiency and accuracy to all parties concerned.

“The fact that we can give the problem as whole to B2BE and then leave them to sort it out for themselves has been very helpful to us,” says Maloy. “A single PO [Purchase Order] might be going between several servers in Australia and New Zealand, but I don’t want to know about that. I just want to know that the order has been fulfilled and B2BE takes care of that.”



## WHITCOULLS

One of the most significant advantages of the Trans-Tasman partnership is that it has allowed A & R Whitcoulls to implement automated invoicing with its major supplier. Maloy explains that automated invoicing means all the line item data is captured from the Purchase Order and is used to automatically generate a supplier sales Invoice when the goods arrive.

"No one has to do anything except to confirm the delivery," she says. "An automated goods receipting process adjusts the

stock level accurately at the same time and it makes adjustments to the Invoice for any goods not received. It cuts down on the amount of reconciliation on both sides."

Maloy says the automated system saves the manual entering of 50,000 Invoices per month.

"We estimate that without B2BE, Whitcoulls would have to employ 18 people full time on this task alone."

Apart from the transaction-related efficiencies, Maloy says the B2BE system has given A& R Whitcoulls a more accurate and timely picture of its stock position, which will allow the group to react more quickly to market demand.

"At the moment stock is replenished every two weeks in New Zealand and weekly in Australia, but the group plans to introduce twice weekly replenishment in both countries.

Maloy says part of the reason why the partnership works so well is because of B2BE's industry experience. "They have been in the book distribution space for many years, they know all of these vendors and they have developed a good relationship with them."

And B2BE has not forgotten the smaller suppliers.

"B2BE will cope with those suppliers still working by fax, but they have also sourced an automated invoicing system suitable for smaller vendors. It's part of the service we have come to expect from B2BE."

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