B2BE
Business to Business e-Solutions

Sheen Garment

Country:
Hong Kong

Industry:
Apparel

B2BE Solutions:
EDI, Interlabel Online Scan-Packing

Business Objective

Kmart Australia requested Sheen to become EDI compliant in the same way any local supplier to Kmart would, this initiative is to be rolled out across all key overseas suppliers.

Business Benefits

Sheen through B2BE's scan pack and web EDI solution were able to become compliant for Kmart's EDI requirements so were able to continue supplying Kmart like any local supplier would.

The Company

Sheen meets Kmart EDI requirements

Sheen Garments Ltd is a Hong Kong based garment and apparel manufacturer who specialise in the manufacture and supply and distribution of garments in the infant and baby care markets. Sheen has been in business for many years and supply a diverse range of customer's internationally. Sheen Garment's Headquarters and International Sales Division are Hong Kong based and Sheen has two facilities manufacturing goods in Dongguan, China.

Sheen is one of the market leaders in the supply of infant garments and a recognised specialist in the supply of these goods internationally and is able to fulfil large production runs to meet customer based demand and specific requirements.

Sheen as part of its international customer base supply Kmart Australia, a national mixed merchant retailer with a heavy focus in apparel. Kmart currently source directly from Sheen through its buying arm in Hong Kong a range of infant apparel which is then shipped / imported though Kmart's Distribution Centre's and into the Kmart retail network.

The Challenge

In 2007 Kmart Australia requested Sheen to become EDI compliant in the same way any local supplier to Kmart would, this initiative is to be rolled out across all key overseas suppliers. This meant Sheen needed to comply with the Kmart's three document policy for electronic trading; Purchase Order, Change Order and Advance Shipping Note (ASN). This was particularly chal-lenging for Kmart's overseas suppliers as Purchase Orders, particularly in the apparel indus-try, were produced weeks and sometimes months in advance of the delivery date and order quan-tities were constantly changed based on stock projections and forecasted demand. This early ordering process ensured goods could meet delivery windows based on manufacturing turn-around times and the greater onus in relation to regulatory requirements for the clearance of goods through customs combined with the physical time to ship the goods and move them through the Kmart DC's into store.

Kmart, through this initiative also took the opportunity of looking at ways to improve delivery cycles and improve their supply chain to ensure goods would move through their warehousing envi-ronment as quickly and smoothly as possible. To do this Kmart asked suppliers to start packing goods based on store location and delivery requirements so goods could simply be moved from the delivery container into the delivery vehicle for the Kmart store without being warehoused or having to be repacked. Basi-cally store ready goods!

Mr. Lee, Director of Sheen Garments took this opportunity as a corporate initiative to intro-duce technological advancements within Sheen Garment's business environment and most impor-tantly, Mr. Lee understood this request would eventually become a mandatory business require-ment for the rest of the major retailers which Sheen is currently trading with. Mr. Lee and his team kicked started the solution sourcing process to improve busi-ness processes internally and support one of their key customer's in the Australian market envisaging further com-panies would follow suit.

"The key criteria of selecting the service provider must be their ability to deliver the right solution which fundamentally met the customer's (Kmart) requirements and most importantly the vendor must be able to present a well structured delivery plan to Sheen to ensure uninterrupted business operations within the Sheen Garment factory's operating environment." Mr. Lee, Director of Sheen Garment said.

From Sheen's management team perspective, the primary challenge resided in the technology being easy to use and accepted by the warehousing and manufacturing staff as part of day-to-day operations; followed by minimising any change to business processes as these would have led to the deterioration in production output, an area Sheen excel in and overall efficiency levels which impacts on-time and in-full (OTIF) deliveries and also cost.

Apart from the above concerns, Mr. Lee also expected the new solution to provide a systematic approach in enabling Sheen Garment to improve efficiency in the entire workflow process from manufacture through to delivery. "Previously our processes were very manual, from receiving orders to processing the order inclusive of carton management, pick & pack processes and shipping preparation; it required extensive human effort and it is very time consuming for our team. The workload for our team intensifies dramatically when there is a change in an order from our customer where there is usually no change in the delivery timeframe" said Ms. Winnie Soo, the Operation Manager of Sheen Garment.

To comply with Kmart's electronic requirements and in particular scan pack initiatives, the Merchandising Department required an interface that would enable them to retrieve and process the EDI Purchase Orders sent by Kmart, create picking lists and pack goods based on final destination (Kmart store) and produce SSCC labels and an Advance Shipping Notice.
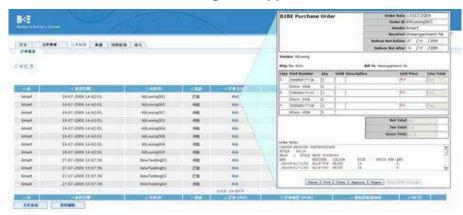
The Solution

Sheen Garment examined software solutions from many Kmart accredited B2B service providers and chose the B2BE Interlabel Online Scan-Packing solution as their ultimate solution.

The B2BE Interlabel Online Scan-Packing solution is a fully hosted and online solution, something relatively new in this area. Purchase Orders are received electronically and can be used to create picking slips. The interface also handles the creation of the SSCC label, based on the recipient's requirements, in this case Kmart. It also produces an ASN which is sent to the recipient in their required format, in Kmart's case UN/EDIFACT 96A. The B2BE solution can also handle multi lingual requirements which is very important in the Chinese market and for Sheen.

As Winnie explained, Sheen Garment's management believed that B2BE had the right solution for the Group for several reasons:

'Firstly; The B2BE Interlabel solution has the features which are specifically designed for our industry (apparel) so it fits our requirements neatly. For example, handling complicated garment packing methods known as 'style packing'. The user friendly multi-lingual interfaces provide a simplistic approach for our non-IT savvy users or even low level factory workers who are now also capable in managing the system.

Second; the dedicated implementation and user training program structured by B2BE had given us the confidence to create a positive outcome in the project rollout process.

PO Listing & PO Approval

Managing Approved Order

Third; the B2BE Interlabel solution is versatile and robust where it eliminates the tedious software installation requirements and simplifies the ongoing maintenance process from Sheen Garment's perspective. As an online solution, it is perfect for multi-site implementation and only requires an Internet connection. All personnel from different offices and locations can now access and retrieve business data in a centralised repository.
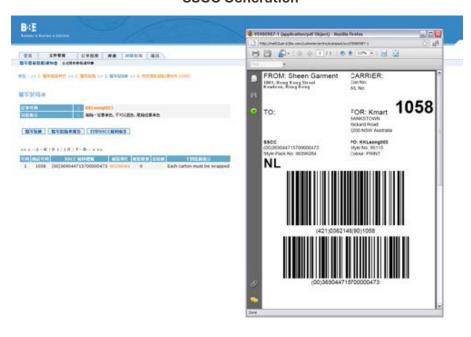
Fourth; from the investment point of view, the SaaS (Software-as-a-Services) subscription model as a fully hosted solution had given us immediate confirmation of the required ROI, by taking away the need for in-house hosting practically meant no up-front investment requirements as buying expensive hardware and software could easily become a burden for us.

Finally; the consistency and high commitment level demonstrated by the B2BE project team in assisting our company throughout the entire project phase and helped Sheen successfully obtain the e-Commerce accreditation requirements (all EDI suppliers to Kmart must be accredited prior to moving to EDI) from Kmart had again proven we made the right selection.'

Packing List Generation

SSCC Generation

The Results

The implementation of the B2BE Interlabel Scan-Pack Solution had brought a technological revolution to Sheen Garment's operational environment. Primarily, the ability to receive EDI Purchase Orders and the creation and transmission of ASN's in conjunction with the SSCC labels had opened up the capability of Sheen Garment to trade with other major retailers globally. In this specific case, being compliant and accredited by Kmart will definitely strengthen the business relationship between the two parties; whereas from Kmart's perspective it ensures the process is easier and more cost effective for every business transaction with Sheen Garment compared to a non-eCommerce compliant supplier.

From the perspective of Sheen Garment, the B2BE Interlabel solution completely automated the workflow processes from order management, pick & pack, carton management, SSCC label generation up to the generation of the ASN. The automation enhances the production efficiency across divisions in Sheen Garment's Hong Kong office and Chinese factories. "Now we can handle Kmart's order in a much quicker and automated manner, no more complicated manual carton calculation spreadsheets, manual preparation of pick & packing lists which takes days of preparation, now we can do it in a matter of seconds." Winnie, the Operation Manager of Sheen Garment states.