

# IBM software solution streamlines Shanell's plastic operations for better efficiency, lower operation costs



Alan Chiu, CEO of Shanell Ltd.

## Overview

- **The Challenge**

Plastics trader Shanell was looking to streamline their manual processes to weed out inefficiencies, while allowing better management of business and costs.

- **The Solution**

The company used FLP Enterprise Management System solution based on IBM Lotus Domino to help integrate and automate daily workflow processes for timely

information retrieval.

- **The Benefit**

The solution enhanced overall management of their sales processes, tightened cost controls for lower operations costs, improved knowledge management and improved management visibility, allowing the company to improve its bottom lines while reacting to changing market conditions immediately.

Plastic dreams drive profits at Shanell Ltd.

Born in 1989, Shanell, a company specialising in the sourcing, import, sales and distribution of all kinds of plastic materials mainly imported from international conglomerates, such as Exxonmobile and Marubeni, has been built over the years. It is now one of the largest distributors of plastic in Hong Kong, importing more than 100,000 metric tons of plastic materials annually.

The 50-strong company maintains this pole position from two sales offices and one head office in Hong Kong, and one sales representative office in Shenzhen, China. Its success was clearly demonstrated through its promising growth during economic downturn, financial crisis and SARS, with a promising growth of over 20 per cent per annum for the last 3 years.

### Moulding automation

Success left Shanell with reams of paperwork. Manual records for orders, deliveries, shipment schedules, and shipment documents were kept in racks. The company also used five PCs for spreadsheet and word processing needs.

Accounting was done on an antiquated DOS system

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manually-making the system susceptible to human error. At the same time, business was based on relationships. With all processes leading to a laborious paper trail, the sales team did not feel any incentive to supply the head office with the details about the clients. This meant, although the company was reaping profits, it had very little information as to who its most profitable customers are. It also made Shanell rely on its senior sales staff tremendously and lost valuable customers when some left the company.

With the profit margins getting thinner by the month, and with the market getting more competitive, Shanell relied on sales to prop up the profit margins. However, the company knew that to double its revenue in the shortest possible period, it had to streamline its operations to remove its operation inefficiencies if it wants to remain competitive.

So Alan Chiu, Shanell's CEO looked for a place to start. Then he met IBM partner Ultra Active Technology (UAT) who turned his problem into a company-wide solution.

### Starting the process

To map out Shanell's IT environment, UAT used their 15 years experience in business re-engineering and product development to help Mr. Chiu examine his own company processes. Using Rapid Application Development (RAD), he was able to compartmentalise each business activity and trace out each document workflow involved.

At the same time, UAT demonstrated its FLP Enterprise Management System solution, built ground up on IBM Lotus Domino and Lotus Notes, to Shanell's senior management. Mr Chiu and his team quickly learnt how a company-wide IT infrastructure can help weed out inefficiencies, while raising its bottom line.

The collaboration capabilities of Lotus Domino impressed Mr. Chiu. With its easy management features, it met his requirements for a one company-wide system that provided a

flexible, yet robust foundation to all his business processes, at a reasonable cost.

"We liked IBM Lotus Domino because it is a collaboration platform that will help us to enhance communication and raise team spirits. With all company business information stored centrally, they can be retrieved anytime, anywhere for quick decisions," said Mr Chiu.

IBM Lotus Domino server software provides the FLP Management System with a robust multi-platform foundation. Built with enterprises in mind, the messaging and collaboration software eases document management by automating a company's entire workflow into a secure, paperless one.

With Lotus Domino, disparate business processes, including customer relationship management, supply chain management, help desk and project tracking, are tied together for better manageability and security. Besides offering flexibility to a company's infrastructure, the feature-laden Lotus Domino also eases software deployment and configuration while driving down the total cost of ownership (TCO) through efficient utilisation of available resources.

At the same time, UAT's experience in accounting also caught Mr Chiu's attention-clearly reflected by the fact that the company was instrumental in computerising the Hong Kong Society of Accountants.

By capturing all the information early in the sales processes, the FLP Enterprise Management System also allowed Shanell to maintain its customer relationships while key personnel left the company.

"The easy management and ease of use allowed us to

*"FLP using Lotus Domino improves efficiency and productivity. Further more, the combination has increased our moral and team effort-factors that many companies overlook when you are running an inefficient company." Alan Chiu, CEO, Shanell Ltd.*

concentrate on our core business," said Mr Chiu, who chose to implement UAT's IBM-based solution within a week.

### Injecting productivity

Once implemented, Shanell reaped the benefits almost immediately.

On the onset, the solution, which was based on Lotus Domino version 5 allowed Shanell to communicate prices immediately to its front line sales team. Since price fluctuation occurs on a daily basis, the new solution allowed the company to let their front line sales team know sell price quickly.

Prices were also more accurate as price details were only needed to be updated once and would be reflected throughout the system. This allowed Shanell to eliminate precious man hours wasted in correcting quotations and invoices, which plagued the company previously. At the same time, with less human error, the operation costs were drastically reduced.

Competitiveness was also sharpened as the senior management was able to know in real-time where their respective businesses are heading. The solution allowed them to retrieve business status in a second, and allowed them to react to changing market condition quickly by developing alternative business strategies or modifying existing ones.

Customer relationship, which was the key problem in the previous setup, was brought to a whole new level. With all relevant customer data kept in one central database, the solution allowed Shanell to preserve its relationships even if key staff left the company. It also allowed new salespeople to get acquainted with the customers quickly. It improved time for processing accounts, since all relevant details can be retrieved immediately when customers enquire for it.

Credit control was tightened with features such as credit status search and sales approval workflow. Since the system was imbued with accounting best practices right from its inception, the accounting books were kept updated and allowed the senior management to breath easier during company audits.

With the documents filed electronically, Shanell cut through its towering paperwork and allowed their staff more time to do more productive tasks. Both Lotus Domino and Lotus Notes also improved knowledge management by allowing staff to share experiences and relevant information with colleagues in

different department or with new staff.

Best of all, Mr Chiu had more time to himself. He no longer had to wait for printed reports before realising how well his company is doing. All he had to do now is to remotely connect through the company's virtual private network to assess his business's health online, in real time, improving overall business visibility.

### Conclusion

Although the new IT architecture was robust, it gave Mr Chiu and his team the much-needed flexibility to build new revenue streams while expanding their geographical coverage.

With management information at their fingertips, Shanell is now looking to open more sales offices in China without much effort in reining them. The company is also contemplating to build a company-wide broadband so that new offices can start collaborating with the head office almost instantaneously.

"FLP built on Lotus Domino improves efficiency and productivity. Furthermore, the combination has increased our morale and team effort-factors that many companies overlook when you are running an inefficient company," said Mr Chiu.



FLP Customer Manager: tracks key customer information and transaction details throughout the selling process