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Efficient Data Management in E-Business Transactions

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EXECUTIVE SUMMARY

This case reports on the implementation of an open information management system that integrated modern information technology approaches to address the needs of a Greek medium-scale clothing producer towards heading to e-business. The system was able to interoperate with the company's legacy ERP system and automated intra-business, business-to-business and business-to-customer processes. The overall approach was designed around open standards for data exchange and integrated as a set of off-the-shelf tools that assured a robust, scalable and fast development cycle. Particular attention was paid to the appropriate synchronization of the internal and external work and data flows, the improvement of supply chain management, the reduction of transactions costs through the appropriate process automation, the reduction of errors occurring during the traditional handling of business documents, the reduction of the company's inventory levels, and, finally, the establishment of a cooperative environment between the enterprise and its customers and suppliers.

BACKGROUND

The company that this case reports on is based in Greece and was founded in 1971 after the merging of two small-scale clothing production and wholesale enterprises (which were in turn founded in 1965 and 1969). Since 1985, the company has established a network of eight modern style shops around the country, which operate as its own retailers, under the company's name. In parallel, the company has 389 customers (as of July 2001), 270 of which are located in Greece and 119 abroad (most of them in Europe). Exporting activities of the company begun in 1971, from France. Currently, its products are sold in Europe, Arab

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countries and Far East. Strategic planning of the company aims at increasing exports by 10-15% during the next five years.

The company produces menswear clothing both at its proprietary facilities in Greece and at another manufacturer in Italy. Apart from clothes, and since 1990, the company has expanded its activities by also trading menswear accessories (also produced in Italy). Its total annual sales for the years 1997-2000 are shown in Exhibit 1, while an analysis of these sales is given in Exhibit 2. The main characteristics of all company's products are their high quality, comfort, fitness and variety of designs and colors. High quality of products has always been of major importance for the company, and it is probably the main reason of its status and share in the market. To achieve that, the production line of the company is equipped with up to date mechanical gear, while all the related processes pass through quality control. Since 1996, it is an ISO 9001 company, while, since August 2000, its shares are traded in ASE (Athens Stock Exchange).

Since early in the last decade, much attention is paid to the continuous training of the 121 employees of the company, in order for them to obtain the necessary expertise. The above employees staff the company's Production, Sales and Marketing, Accounting, Information Systems and Distribution Divisions (see the organization chart shown in Exhibit 3). Much expertise has been recently obtained through the company's involvement in the CRAFT European project, which aimed at the development of an automated quality control system for end-products in a textile industry. The program had a three-year duration, its total budget was 939,880 ECU (the share of the company was 15.16%), while the project consortium comprised 5 textile manufacturers and 3 research institutes.

The company has always been considering that in order to keep its status and market share, it also has to keep an eye for developments outside its own practices and measures. Advances in information technology, shifts in consumer demand, and the increasing movements of goods across international borders (aided by the internal European market) characterize its business environment. This new reality required a fundamental reconsideration of the most effective way of delivering the right products to consumers at the right price.

Exhibit 1. Financial Figures (Total Sales)

Annual Sales (in thousands of U.S. dollars)	1997	1998	1999	2000
Sales in Greece	6,335	6,947	7,198	7,324
Exports	476	521	529	570
Total Sales	6,811	7,468	7,727	7,894

Exhibit 2. Financial Figures (Clothes and Accessories Sales)

Annual Sales (in thousands of U.S. dollars)	1997	1998	1999	2000
Clothes	5,670	6,157	6,507	6,655
Accessories	1,141	1,311	1,220	1,239
Total Sales	6,811	7,468	7,727	7,894

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