

SAP Customer Success Story SAP Business One – Inflight Logistic Services



“Implementing a comprehensive system such as SAP Business One has enabled us to streamline our operational and managerial process and gain better control of our business - benefiting us and our customers.”

Garth Young, Company Director, Inflight Logistic Services

AT A GLANCE

Summary

Inflight Logistic Services (ILS) core business is to provide services to airlines in relation to their Inflight Service needs. Operating across Brisbane, Sydney, Melbourne, Adelaide and other regional centres.

Industry

Retailer & Logistics Provider

Web Site

www.inlog.com.au

Project Objective

- Insufficient system for change in business operations
- Require appropriate warehouse inventory management solution
- Real time visibility and reporting

Key Challenges

- Capture sales data per flight
- Provide in flight cash vs. sales reconciliations
- Manage remainder of services and product sales related business
- Purchasing and creditor management
- Inventory management across multiple warehouses

Why SAP Solution was selected

- In-line with budget
- Flexibility to customise to suit business operations
- Ability to add additional functionality
- Scalability from SAP business One to larger SAP products in the future
- Support from SAP
- The SAP Partner, City Software invested the effort to understand the uniqueness of our business

Implementation Highlights

- On time
- On budget
- Easy to use interface

Key Benefits

- True reflection of product sell through
- Reporting and visibility of data
- Ability to proactively determine optimum stock levels per flight in order to reduce stock write-offs
- Audit ability by Virgin's external auditors, KPMG
- Improvement in accountability

Implementation Partner

City Software Business Solutions

Solution & Services

SAP Business One

Database

MS SQL Server

Hardware

IBM

Operating System

MS Windows

SAP AND ILS KEEP HUNGRY PASSENGERS HAPPY

Whether travelling for business or pleasure, aircraft passengers like to enjoy a cup of coffee or a bite to eat as they take in the view from high above the ground.

Airlines put considerable effort into ensuring their customers have a choice of drinks and meals, keen to make their travel as comfortable as possible. But while the result is a relaxed journey, it takes a complex logistical operation behind the scenes to make it possible.

For airline catering company Inflight Logistic Services (ILS), ensuring planes are stocked with a variety of beverages and foodstuffs is one task that never stops. The company prepares and packages meals, transports them to airports and stocks planes seven days a week.

With a network of warehouses and fleets around Australia, ILS works with a range of airlines including Virgin Blue, Regional Express and various charter companies.

Working with implementation partner City Software Business Solutions, ILS has installed SAP Business One to support the company as it continues to grow.

ILS company director, Garth Young said the decision to implement an SAP solution was prompted by a significant change in the way it worked with its largest client, Virgin Blue.

“Until April this year, we were a service provider to Virgin Blue, responsible for restocking their aircraft with food and drinks for their staff to sell to customers,” he said.

But on April 1 the system changed. ILS now has ownership of all stock, and manages all elements of the business from procurement through to point of sale. Combined with this, ILS is responsible for the reporting package back to Virgin Blue which is quite detailed due to the nature of the operation.

“It is like having 50 retail stores that happen to be located on aircrafts that could be anywhere in Australia,” said Mr Young. “It becomes a very complex task to manage the network and keep it running smoothly.”

Prior to the change, ILS used an MYOB package to monitor orders from Virgin and produce financial information such as invoices and reports. However, with the increased complexities of stock ownership and supply, ILS required a more capable system.

“We realised the logistics alone would require a new system for support,” he said. “You’ve got aircraft that may start in Sydney and then fly through multiple destinations before finishing in any port around Australia.”

“The initial on-board stock of supplies might be topped up at each port, depending on what was sold and then checked at the end of the day somewhere else - it’s quite a complex system.”

Together with City Software Business Solutions, ILS scoured the market for a software system capable of dealing with the challenges of its business operations. After a comprehensive review, it was decided to implement SAP Business One from City Software Business Solutions.

“Over an eight-month period we worked with City Software Business Solutions to scope out the complete system, including absolutely every feature we felt we would ever need,” said Mr Young. “Once completed, we set about implementing the basics, planning to gradually extend its capabilities over time.”

The flexibility of SAP Business One meant there was little customisation required for it to work with the existing ILS methods. Warehouses at Australia’s five major airports have been linked to the system allowing central tracking of inventory and financial transactions.

“Our ability to track stock, whether it is in our main warehouse, in the work-in-progress warehouses, in trucks or on planes has improved.”

Garth Young, Inflight Logistic Services

“Six months down the track we are enjoying benefits from the new system that I would not have expected to have achieved for 12 months,” said Mr Young. “The implementation project has gone very well for us.”

Using a single system to track stock levels, handle retail transaction data and all company financials has significantly reduced the work load for administration staff. Where two and a half data entry staff were required at each warehouse to input information, this has now been reduced to just one at each location.

“Our ability to track stock, whether it is in our main warehouse, in the work-in-progress warehouses, in trucks or on planes has improved,” he said.

“Six months down the track we are enjoying benefits from the new system that I would not have expected to have achieved for 12 months. The implementation project has gone very well for us.”

Garth Young, Inflight Logistic Services

SAP Business One combines the information from the initial stocking of a plane together with any replenishment during the day as well as a final reconciliation after the final flight.

In the future, the company plans to further streamline the inventory system by using tracking tags and electronic readers at all locations. Better use will also be made of the information gathered by cabin crew using handheld computers when making a sale.

Although it was put in place specifically for the Virgin Blue business, the ILS Business One system is now used to service and benefit other ILS customers.

“Implementing a comprehensive system such as SAP Business One has enabled us to streamline our operational and managerial processes and gain better control of our business - benefiting us and our customers,” said Mr Young. “Our business operations and customer satisfaction and service levels can only increase.”

THE BEST-RUN BUSINESSES RUN SAP™



(05/12)

© 2004 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary. Printed on environmentally friendly paper.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.