



Progress®-based Solution for ERP

Problem

Four disparate information systems made managing day-to-day operations labor-intensive and inefficient for Vicunha's complex textile enterprise.

Decision

A fully integrated system, operating on a single database, would increase efficiency and improve and standardize information flow throughout the enterprise.

Solution

Datasul's ERP solution running on the Progress® database consolidated four systems into one fully integrated enterprise-wide solution.

Results

After just one month with their new integrated system, Vicunha reports a reduction in inventory, consolidation of customer information, ease of use, and excellent database reliability.

Vicunha Têxtil S.A. Weaves the Fabric of Integrated Information with Progress and Datasul

A history of mergers and acquisitions, innovation, and a commitment to quality since its inception in 1966 have made Vicunha Têxtil the largest textile manufacturer in Latin America. The company maintains four business units, 14 plants throughout Brazil, employs over 13,000 people, and generates annual revenue of R\$1.500Mi. Vicunha's products run the textile gamut and include thread, yarn, fabrics, knits (synthetic and natural), high fashion textiles, and finished goods that range from tee shirts to jeans sold throughout Latin America, the United States, and Europe. In 2001, Vicunha embarked on a plan to integrate and modernize by restructuring of all its companies. That plan led to the formation of the company in its present incarnation and created the challenge of merging and consolidating four disparate information systems for Charles J. Rosenburst, Information Technology Director. "Having four different systems created significant gaps in our ability to know precisely what was happening in our operations. It affected planning, work-in-process, inventory, and customer records. For example, information about a single customer might reside in several different places. Ideally you want to enter that kind of information once and have it reflected in all systems simultaneously."

Integrating these systems was by no means Rosenburst's first challenge at Vicunha. When he arrived at the company in the late 90's he created Vicunha's first consolidated accounting database (built in Progress®) to streamline operations and improve the com-



pany's ability to manage their four businesses on a day-to-day basis. He also put a stop to a two million dollar ERP implementation because the implementation methodology was not appropriate for the company's business needs and culture.

Progress and Datasul Fit the Integration Challenge

With a track record of success honed at Ernst & Young, and a mission critical integration project on the fast track, Rosenburst proposed upgrading to Datasul's comprehensive solution for ERP. His justifications for the upgrade path were compelling. He explained, "Three of the business units already used Datasul applications, though different versions with different business rules and specifications. The cost of upgrading was very favorable when compared to the cost of purchasing completely new systems. The Progress database was already in place, was completely reliable, and easy to maintain. The cultural impact of an upgrade was much less dramatic for employees, 75% of whom were already familiar with Datasul applications. In addition, we could leverage the expertise of the IT staff who were proficient with Datasul and Progress technology."

"Integrating four systems into a single, centralized system was a great challenge. Throughout this complex process, Datasul provided technical excellence and outstanding support. The Progress database is extremely reliable and very easy to maintain. Together Progress and Datasul are a powerful combination that helped us significantly improve our information management and achieve our business objectives."

*Charles J. Rosenburst
Information Technology Director
Vicunha Textil S.A.*

Rosenburst engaged an independent consultant company, IDS Scheer, to map Vicunha's processes and identify the changes they needed to make to consolidate and integrate their systems. IDS consultants examined the capabilities of the Datasul system and found that it adhered to more than 70% of their requirements, and in some cases to 95%, right out of the box. "They were very surprised that the Datasul application was so robust and such a good fit for our business," said Rosenburst.

Datasul Support Unflagging During Complex Implementation

The implementation process took about a year. The downturn at Arthur Andersen, hired to manage the implementation, caused a three-month delay in the project, but Rosenburst rallied his team and Datasul rose to every challenge. The system went live in November 2002, and rolled out January 1, 2003 across the enterprise.

"Datasul worked very closely with the Vicunha team, they readily discussed strategy and methodology, and were open to our rules and expectations," said Rosenburst. "All of our negotiations were very pleasant, and that's important when a project is as lengthy and complex as ours."

Rosenburst took a unique approach to implementation, using a program methodology. He merged the theoretical with the practical. "That resulted in an extremely successful project," he commented. A team of about 135 people participated in the implementation and integration project. Internal resources contributed together with 25-30 outsourced programmers and technical people to develop migration programs, interfaces, and customizations. Additionally, he hired an equal number of outside business consultants who had highly specialized expertise for business modeling. "Throughout this process, Datasul was extremely flexible. We all learned from one another," said Rosenburst.

Hoping to accelerate their implementation time, Rosenburst decided first to implement only the most basic application functions. Then he had the actual users of the system further evaluate the various application modules and determine the fit with their needs. "Our users got to know the solution well, and as a result, Vicunha implemented 16-18 additional modules based on the staff's input. When a gap was identified in our business requirements, they found that Datasul technology could solve it. It was an effective way to implement the system for our users and for our business," he explained.

"We now have a centralized, standardized, fully integrated ERP system, operating on a single database, that meets all of our business requirements," stated Rosenburst. "We have reduced inventory, consolidated customer files, and can analyze credit via the system. That process was all done manually before."

Rosenburst selected a BEA solution for Enterprise Application Integration. Vicunha runs the Datasul ERP system on the Progress 9.1C database. The Progress database is operating on a HP-Unix platform integrated to several different platforms including the IBM AS/400, Windows NT, and Novell running specific textile applications. Rosenburst estimates that the system handles the transmission and processing of over 15,000 messages each day, supported by over 72 unique interfaces.

Today Vicunha is using Datasul modules on the supply chain side for price quotes, purchase orders, inventory management, project management, sales, invoicing, freight management, importation and exportation management, production management and costs. On the financial side, they are using modules for customer credit evaluation, accounts payable and receivable, credit analysis, general ledger, cash flow, cash management, exchange contract management, investment management, budget, and asset management. Vicunha also implemented a comprehensive HR module for employee development, training, management information, hiring and skills assessment, and payroll.

Reliable Database Supports Positive Results

Since they are in the early stages of their system use, Vicunha cannot measure results in terms of a precise ROI yet, but preliminary results are very positive. They have achieved their major objective. "We now have a centralized, standardized, fully integrated ERP system, operating on a single database, that meets all of our business requirements," stated Rosenburst. "We have reduced inventory, consolidated customer files, and can analyze credit via the system. That process was all done manually before." Rosenburst had anticipated a reduction in invoicing due to the turbulence an implementation might cause. In fact, in November they achieved 105% of their invoicing quota, and December saw a 20% increase in invoicing. Leveraging their Progress expertise, the IT team was able to implement and integrate a Progress-based Business Intelligence application from CorVu, which was operating from the first day of Go Live.

Reflecting on his experience with merging four complex systems into one consolidated, fully integrated system, Rosenburst concluded, "Throughout this entire process, the Progress database has performed with excellence. We had no major interruptions in service for the 14-15 months of the project. It's very reliable and extremely easy to maintain. Combining Progress' reliability with the very strong support from Datasul, we have a very successful system."

About Datasul

As one of the world's largest manufacturers of open systems applications, Atlanta-based Datasul Inc. provides integrated, industry-specific software tools and services designed to improve business control, management, and flexibility. Datasul equips each and every customer with those mission-critical resources and technologies necessary to gain and sustain a competitive edge in the marketplace. As a result, Datasul's total solution enables organizations to successfully compete well into the future. With its international headquarters situated in Atlanta, Datasul has direct and indirect representation in Canada, Brazil, Mexico, Argentina, and Australia. Software development is sourced from Brazil, where Datasul enjoys the status as the largest privately held software company in South America.

About the Progress Company

The Progress Company is a global supplier of software and services that simplify the development, deployment, integration, and management of business applications. The Progress® OpenEdge® platform, with the industry's leading embedded database, delivers lowest cost-of-ownership applications that are rapidly implemented and easily integrated with other enterprise, extended enterprise, and Internet applications. The Progress Company and its Application Partners supply more than \$5 billion annually in Progress technology, Progress-based applications, and related services. Progress customers span 50,000 organizations in more than 120 countries including 70 percent of the Fortune 100.

Datasul SA

Av. Santos Dumont, 831, Bom Retiro, Joinville, SC 89222-900 Brazil, Tel: 1 47 441-7000, Fax: 47-441-7070, <http://www.datasul.com.br>

Worldwide and North American Headquarters

Progress Software Corporation, 14 Oak Park, Bedford, MA 01730 USA Tel: +1 781 280-4000 Fax: +1 781 280-4095

EMEA Headquarters

Progress Software Europe B.V., Schorpioenstraat 67, 3067 GG Rotterdam, The Netherlands Tel: +31 10 286-5700 Fax: +31 10 286-5777

Latin American Headquarters

Progress Software Corporation, 2255 Glades Road, Suite 300 E, Boca Raton, FL 33431 USA Tel: +1 561 998-2244 Fax: +1 561 998-1573

Asia/Pacific Headquarters

Progress Software Pty. Ltd, 1911 Malvern Road, Malvern East VIC 3145, Australia Tel: +61 39 885-0544 Fax: +61 39 885-9473

© 2003 Progress Software Corporation. All rights reserved. Progress, OpenEdge and Who Makes Progress are trademarks or registered trademarks of Progress Software Corporation in the U.S. and other countries. Any other trademarks or service marks contained herein are the property of their respective owners.

PROGRESS
SOFTWARE

www.progress.com