

SAP Customer Success Story
Wholesale Distribution – Vanilla Beans, Extracts, and Powders



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SAP Business One solved that problem.”**

David Van der Walde, Director and CEO, Aust & Hachmann Canada Ltd.

AT A GLANCE

Company

- Name: Aust & Hachmann Canada Ltd.
- Location: Montreal
- Industry: Wholesale distribution
- Products and services: Vanilla beans, extracts, and powders
- Revenue: US\$5.5 million
- Employees: 5
- Web site: www.austhachcanada.com
- Implementation partner: Implanciel (Laval, Québec)

Challenges and Opportunities

- Difficulty managing inventory across multiple product grades, geographies, and currencies
- Need to operate more professionally as a small business serving larger customers

Objective

Install integrated solution to enable real-time, transparent view of inventory and streamline accounting

SAP® Solution and Services

SAP® Business One application

Implementation Highlights

- Rapid – 6 months
- Able to meet overwhelming majority of needs right out of the box

Why SAP

- Premium brand
- Long-term stability
- Comprehensive warehouse and multicurrency capabilities

Benefits

- No need to increase staff when expanding business
- Greater potential for growth
- More efficient operations
- Ability to quickly retrieve information on critical aspects of the business
- Enhanced customer satisfaction, resulting from more professional services and operations

Existing Environment

Custom-developed system

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: IBM
- Operating system: Microsoft Windows

AUST & HACHMANN CANADA

Vanilla Importer Has Anything but Plain-Vanilla Task: Manage Inventory Across Multiple Warehouses, Continents, and Currencies

When you're eating vanilla ice cream, the last thing on your mind is the business behind the flavor. Unless you're David Van der Walde. Van der Walde is director and CEO at Aust & Hachmann Canada Ltd., a part of the world's third-largest vanilla importer and distributor, and he manages the global business with five people – and the SAP® Business One application.

SAP Business One is an affordable business management application built specifically for small companies. It supports critical business functions – sales, financials, purchasing, manufacturing, inventory, service, and customer relationship management – and provides a unified view of operations.

“Our main objective was to bring everything under one umbrella to help us streamline accounting and manage inventory more efficiently, from any location and in any currency,” Van der Walde says. “Inventory control was our biggest nightmare, but SAP Business One solved that problem. I was also able to increase the size of my business without increasing staff. Not only that – I've significantly increased my potential to handle even more business. I operate much more efficiently and can access key information about the business quickly.”

That's critical because, small as it is, Montreal-based Aust & Hachmann operates a complex global business. The company sells multiple grades of vanilla beans, extracts, and powders. Its customers are flavor companies, foodservice firms – hotels, restaurants, and catering companies – and retailers that require a variety of packaging formats. Aust & Hachmann operates six warehouses and maintains inventory on four continents, selling across North America and Asia. It sources vanilla worldwide, from places like Madagascar, French Polynesia, Indonesia, Uganda, Papua New Guinea, and Mexico.

Inventory control is the core task. "I'm making deals with flavor companies who in turn are signing contracts with food companies to supply them with extract," Van der Walde says. "If there's a mismatch – say, if you presold 200 tons and only covered 180 – you've got to go back to the market to make up the difference. The vanilla price can double overnight, and you can lose half a million dollars in a heartbeat. That's why you have to manage the system almost in real time."

With SAP Business One, Van der Walde is doing just that. "I know that I've booked, say, 12 orders in Madagascar over the past three months, and within each order there are 10 different grades of vanilla. I'm constantly checking things like, What are my stock levels of this particular grade? What's being processed? What's been purchased? What's in transit? What's my average cost per kilo? All these questions have to be answered every time I take an order and every time I purchase more vanilla. With SAP Business One, I get all this information in a single report, when I need it, to assess my situation more clearly."

Small Company Thinks Big

Before implementing SAP software, Aust & Hachmann had been using a custom-developed solution. Says Van der Walde, "We were a small company, just getting started. We came across an IT guy who had a side business handling small firms. It worked fine for awhile, but as time went on and we grew, we ran up against the limitations of this type of system – too many Excel spreadsheets, too much manual effort, and inconsistent or unavailable data."

Van der Walde evaluated a number of solutions before picking SAP Business One. "After that experience with an independent, I wanted to work with a premium company," he says. "I wanted to be sure that the vendor was going to be around in 10 years, because I'm going to implement the software for the long term."

The rollout took six months. "We met our timetable and we came in on budget," Van der Walde says. "The SAP Business One application's preconfigured business processes met the overwhelming majority of our needs – there might be four forms we created, that's it."

Aust & Hachmann is now working with SAP reseller Implaciel (Laval, Québec) to get even more out of the system. "We did the basics first, now we're going to the next level," Van der Walde says. "We want to get more performance information on financials

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and inventory control. On the sales and marketing side, we will use the built-in customer relationship management capabilities of SAP Business One to better manage existing accounts, analyze customer volumes and patterns for forward planning, and track leads and opportunities."

Aust & Hachmann's customers notice the difference. "There is a certain brand you're buying into when you purchase SAP products," Van der Walde says. "People know SAP, and that counts. Our customers compliment us on things like our automatic e-mail confirmations and the quality of our invoicing and reporting. SAP Business One supports that kind of professionalism. I'm quite confident that I made the right decision."