

AS/400 Users Find Global Solutions in Package-Oriented Software

FEATURE

For many manufacturers today, the name of the game is not actually making products faster but managing the inventory and distribution logistics of what has already been manufactured. This is especially true for companies with markets and distribution channels around the globe. JBA International, a business-systems software supplier, has many users that have just those needs. Here is how they have addressed them with JBA software—and how JBA has responded to its customers.

BY MARTY WEIL

JBA International (Rolling Meadows, IL), a leading supplier of software for the IBM AS/400 environment, intends to strengthen its position as a global software supplier through its mid-range system software offering, Business 400. With an installed base of more than 3,000 (there are approximately 230,000 AS/400s operating worldwide) and revenues of more than \$100 million, JBA is flexing its muscles with a package-oriented solution that draws raves from its users.

"With Business 400, we've consistently maintained subsecond response time, even during peak periods," says Mark Y. Newberry, manager of busi-

ness systems and distribution requirements planning for personal care products maker Elizabeth Arden Co. (Roanoke, VA). "We are able to ship 25% more products with the software than without it. And it helped us cut order processing expenses by 50%," he adds.

At Sealed Power Corp. (Muskegon, MI), a maker of after-market auto parts, Business 400 also had a profound effect. "We're experiencing more than \$1 million in operational savings per year with Business 400," says John Chesney, chief information officer for Sealed Power. "It also helped decrease our overall information service cost by approximately \$1.2 million a year."

At Tente Casters (Hebron, KY), a supplier of casters to the medical industry, after switching to Business 400, director of finance Michael Corrigan saw sales increase without added labor. "Since we've gone live with Business 400, our sales are up about 35%," he says. "The software empowered us to accelerate our growth by forcing us to work smarter. It focuses us on what truly needs to be done to get more quality product out the door."

Newberry, Chesney, and Corrigan are not alone in their experiences with Business 400. "With our old system it took between 7 and 10 days to process an order and get it shipped to the customer," says Michael Terry, management information systems manager for electronics manufacturer Heath Co. (Benton Harbor, MI). "One of our goals is to ship product the same day it's ordered. We achieved that goal the day after we installed the software."

BUSINESS 400 BASICS. JBA designs and develops all of its software in-house, and Business 400 is no ex-



A Heath Co. operator uses JBA's Business 400 Inventory Management module to manage picking and stocking operations in the small-parts inventory area.



The Business 400 Sales Order Processing application helps lower administrative costs for order handling in the Heath Co.'s component-assembly area.

ception. The product covers a wide spectrum of application areas including manufacturing, financial, customer service, logistics, and production. It also features support applications like the Business 400 Manager, Cobwebb 400 Integrated Fax Utility, and electronic data interchange (EDI). Extensive use of windows and field-level help text allow users to get the most from the IBM AS/400 engine. (Multicompany features are standard, and multiple languages are available.) Native to IBM's Systems Application Architecture, an implementation framework, the software is designed so that future applications can be installed on the base system.

"All Business 400 modules have been designed within the context of the world market," assures JBA's president and chief executive officer Rick Halperin. "Financial modules have a multicurrency capability facilitating a swift transfer of data into the preferred currency and local accounting procedures."

JBA has also developed specialized Business 400 modules to handle specific demands of a number of vertical market sectors. These include Drinks 400 for the beverage industry and Style 400 for the fashion industry.

MAKES SCENTS. Recently, Elizabeth Arden mapped out a long-term goal to make all of its business operations responsive to customer demands. If the company hoped to meet its tough, 24-hour pick-pack-ship delivery schedule, it had to install a new computer system.

In June 1992, Arden instituted the "Gold System" (Global Order Processing Locator and Distribution System), using JBA's Business 400 software. "I can log-on to the system from my terminal in Roanoke, and I'm looking at the same system that my counterpart uses at the logistics center in France," says Arden's Newberry.

According to JBA's Halperin, Business 400 is designed for companies, like Elizabeth Arden, that trade throughout the world. It has complete international business capabilities, while also provid-

ing for the particular trading practices of individual countries.

Previously, Arden had two distinct systems picking from two separate inventories. "One of the main things Business 400 did for us was enable us to locate all of our inventory information on one system," says Newberry. "The result is a system that is functioning up to 22 and three-quarter hours per day—a 42% increase—which means we can ship more products out each day."

The Arden manager also worked with JBA to design an order-entry function to cut operator keystrokes by 70%. "We've found that between the reductions in keystrokes and the increase response time, we can now ship about 25% more products each year."

From the sales office through the warehouse and on to the billing of the shipped item, the sales order processing application in Business 400 enables Arden to handle a wide range of order types. According to Newberry, this module lowers administration costs for handling while maintaining a comprehensive database for improved customer service.

SIGNED, SEALED, DELIVERED. After going through organization changes, Sealed Power decided that its old mainframe computer system had to go. "We needed a system that would allow us to distribute up to 8,000 orders a day," says CIO Chesney. "We selected Business 400 for its reputation as a large-volume order processor."

"In our business," Chesney continues, "automotive replacement parts come to market rapidly. We wanted a better means for distributed requirements planning [DRP]." (DRP is a forecasting mechanism that helps companies choose how much of something to keep in stock, order, etc.)

"The Focus Forecasting module in Business 400 helps us to predict demand based upon past performance. The application uses a technique known as simulation. Long- and medium-term history is used to forecast future demand," he says.

By controlling the amount of parts in storage, picking performance has increased dramatically at Sealed Power's master distribution center. Ac-

GUIDELINES

NEW "GOOEY" GUIDELINES

JBA has a new tool for allowing organizations with mixed platform environments to present both IBM AS/400 and PC-based applications to their users within a common graphical user interface (GUI—pronounced "gooey"). With the release of Guidelines, which runs on both IBM OS/2 and Microsoft Windows platforms, JBA expects to boost user productivity and reduce the need for costly retraining.

According to Rick Halperin, Guidelines is designed to protect existing corporate investment in data, staff skills, and systems. It uses JBA's own very-high-level language, called JOT, and incorporates a point-and-click prompter that assists programmers in creating applications that are very easy to learn and use. Because the new client-server development tool can be used independently of the host computer, development work does not need to affect normal processing or require extra investment in hardware.

"Guidelines is an integral part of JBA's Open Tool-CASE, a development environment that enables developers to create IBM AS/400 and PC workstation-based client-server applications," says Halperin. "It takes full advantage of both the IBM AS/400 database facilities and the graphical power of the PC."



JBA software allows Heath Co. to know instantly when a product is in stock and available for shipping.

According to Chesney, inventory before Business 400 implementation hovered around \$90 million; today it's closer to \$70 million.

Besides Focus Forecasting, Sealed Power uses almost all of Business 400's modules, including manufacturing, financial, product data management, and sales order processing.

SEEING THE LIGHT. When Michael Terry arrived at Heath Co., makers of security lighting and electronic training kits, the company ran its operations off a series of batch systems "that really didn't work together very well." The inventory was updated only once per day. "We ran off that number all day long; but in the meantime, if we wanted to pull something from inventory, we couldn't see the net effect,"

he says. "This created many problems."

One of the key solutions to Heath's conundrum was Business 400 Inventory Management module. This module provides Heath with stock planning features, forecasting, and MRP. The software enables Heath to balance customer service levels against inventory investment.

"With this software we no longer have to wait overnight for our orders to move through the system," says Terry. "There is a tremendous cost savings in real-time order processing. If the product is in stock, we know it instantly. We ship the same day whenever possible."

With less paperwork, less labor is necessary to process accounts payable. "It took two people a full day to do invoice matching," says Terry. "Now, it only takes

one person half a day to do the same number. This allowed us to reassign staff to more important duties."

According to Halperin, the Business 400 Accounts Payable application maintains full detail of all supplier-related liabilities from receipt—providing Heath with tighter control of external expenses and improved cash management.

"As far as our computer system, we came out of the dark ages into the light of the 21st century," says Terry. "Sales analysis data is fresh and available every single morning, so we can see a daily picture. That's a tremendous boost."

FAST TRACK. With its parent company located in Germany, Tente Casters has international currency issues to worry about.

"One of the big factors in our decision to run Business 400 was its multicurrency cash-management capabilities," says Tente Casters' Corrigan.

The Business 400 cash management application provides a focal point for the management of a company's cash flow. According to JBA's Halperin, when used with accounts payable, accounts receivable, and general ledger, it provides powerful cash-management features with comprehensive multicurrency processing. It allows multinational companies to communicate through the same system, but still allows users, regardless of where in the world they are, to work in their own language.

Another major factor in Tente Casters' purchasing decision was expandability. "We've been growing 20% per year," says Corrigan. "We needed something that would not only fit our needs today, but be expandable for the future."

DELIVERING SOFTWARE IS EASY. "There's no money in installing software," laments JBA's Halperin. "It's labor intensive. It's time consuming. Quite frankly, it's not profitable. But we insist on installing what we sell." To serve every one of its 3,000 customers, JBA keeps a cadre of service personnel on duty throughout the world. A rigorous program called Structured Implementation is used to guide the installation of Business 400.

"JBA's support is tremendous," says Heath's Terry. "They had a person at our facility for about six months. With any new system, users do things that they shouldn't do. They put wrong data in the wrong area; they halt the system. JBA's service got us out of a lot of jams. They became more than our software vendor; they became our friends."

With friends like Heath, Sealed Power, Elizabeth Arden, and Tente Casters, it may not be long before JBA dominates the AS/400 software market. MA

IBM's Seal of Approval for JBA's IPG/400 Application

JBA's Interactive Program Generator, the IPG/400, has recently become one of the first software products to be "badged" under the IBM AS/400 Application Development Program.

Designed to expand the AS/400 tools portfolio, the AS/400 Development Program was created by IBM to help businesses identify a set of highly productive products to support the many AS/400 application environments worldwide.

JBA's IPG/400 gained Big Blue's international certification by completing an exhaustive series of tests conducted by an independent third party. IPG/400 has been designed specifically for user departments, providing users with the ability to extend their IBM AS/400 packages or write completely new ones. It differs from many other application development tools in that modifications to generate programs are not done in proprietary 4GL but rather in RPG itself.

Available as an entry point for user department—or as an advanced generator by the DP department—IPG/400 produces full, SAA-native RPG/400 code. No run time modules are created, and proprietary routines are not needed. Error-free code can be generated in a fraction of the time taken using conventional application development systems, making it possible for new applications to be prototyped in hours instead of days.

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