CASE STUDY

Fossil Watches Enterprise Processing with Automic® Automation

Fossil

CLIENT PROFILE

Website: www.fossil.com

Industry: Retail

Fossil is a design, development, marketing and distribution company that specializes in consumer products predicated on fashion and value.

CHALLENGES

- Expand IT service without adding headcount
- Establish IT audit and compliance controls
- Integrate new Oracle Retail application with existing systems

BROADCOM SOLUTIONS

- Easy-to-use design environment
- Real-time workload monitoring
- Oracle Retail automation templates
- Report content checking

RESULTS

- Critical retail merchandising IT workload completes on time
- Each IT administrator saves three hours every day
- IT satisfies corporate governance directives

Business

Fossil is a design, development, marketing, and distribution company that specializes in consumer products predicated on fashion and value. The company's principal offerings include an extensive line of watches sold in department stores and specialty retail stores in over 90 countries around the world and through its website. Fossil also offers complementary lines of small leather goods, belts, handbags, sunglasses, jewelry, and apparel.

Innovation and information technology has played an enabling role in Fossil's growth since its founding in 1984. Wanting to become more agile in serving its customers' needs, Fossil decided to implement the SAP AFS (Apparel & Footwear) Industry Solution. The ability to handle different product sizes and to process multistore orders would ensure the company maintained its competitive advantage supplying department store doors including Nieman Marcus, Saks Fifth Avenue, Nordstrom, and Dillard's, as well as stores such as JC Penney, Kohl's, and Sears.

Challenge

While SAP AFS running on an IBM AIX platform would be used to provide F&A, sales analysis, and customer service management, Fossil would continue to use AS/400-based warehouse management system PkMS, from Manhattan Associates, to manage order processing, packaging, and product distribution at their US distribution center. From receiving orders through its web site, through EDI, or from its retail network, Fossil had to manage a set of business processes that would span applications as well as computing platforms to supply its customers from worldwide warehouse centers located in Dallas, Texas, and Eggstätt, Germany (running on SAP).

To address this challenge, Fossil created a set of daily manual procedures ensuring orders were entered into SAP and passed to PkMS for processing. Andy Hess, Vice President of Wholesale Applications at Fossil, picks up the story. "Background jobs were scheduled manually. Slack times were built into our workload plans to ensure one job did not start before another was finished. We lost time this way, but I was impressed with how clever Fossil staff was in terms of managing the dependencies. They'd actually managed to make the best out of a bad situation. We could have continued like that if the company was growing at 1% per annum—but we were experiencing 10%, 12%, and 18% growth levels.

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> ANDY HESS
> PRESIDENT OF WHOLESALE
> APPLICATIONS, FOSSIL

Challenge (cont.)

"Running a single SAP instance to support a 24x7 global business operation put great pressures on how we managed our processing. Apart from a 4-hour slot following the U.S. West Coast close of business day there are no quiet periods. We had to be very creative in organizing our job streams to ensure orders got processed and end-user service wasn't impacted."

"We do half of our annual business between September and November. The orders generated in this period place huge processing demands on our IT systems. Add to this the fact that as an organization Fossil has been growing rapidly year-on-year, it was plain that we couldn't afford to continue running systems that had in-built slack times if we were going to support our business operations."

Solution

Fossil recognized they could benefit from using a tool that would allow them to automate and integrate their business application workload within and between SAP and PkMS applications. Three vendors were short-listed for evaluation and Broadcom, was selected as the only provider that could fully meet Fossil's needs. Being able to configure and control Unix and OS/400 jobs, managing many-to-one dependencies, parent/child relationships, and end-to-end process visibility using a single tool were key differentiators for Fossil.

Automic® Automation has been implemented by Fossil to automate processing across its worldwide wholesale retail operations. Orders received are booked into SAP AFS and allocated to PkMS for fulfillment and distribution. Automic Automation manages the dependencies between these applications, ensuring orders get picked up for processing by PkMS and tracking numbers for order shipments get passed back to SAP. It also automates much of the internal background processing within SAP and PkMS applications.

"Batch scheduling is owned by the application teams because we are ultimately responsible for the completed jobs. With the Automic solution, we are less dependent on the unwritten, implicit knowledge of our batch streams and have much greater visibility and understanding across our organization. We have a single tool to control job streams that run across Unix and OS/400 systems," comments Hess, "There are events scheduled to run every 10 minutes, which feeds web orders into SAP. Support for multiple triggers allows us to manage the many-to-one dependency relationships that we have to deal with in many of our jobs."

"With SAP tools, you can get in over your head and lose sight of a job plan quickly. Automic Automation gives us end-to-end process visibility. Flowcharts, boxes, and color-coding make it easy for us to drill down and see what is going on. This is especially useful when we need to get into the system and make sure that critical jobs run through to meet business deadlines."

> The biggest hurdle we face is time. We don't have time to wait. Those three months leading up to year end are critical to our business. Automic Automation gives us single visibility into what is happening in our world. Being able to claim back the slack times, compress run times and experience many fewer job failures has given us the scalability and flexibility to support our business growth

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Advanced Shipping Notices

Since Fossil utilizes PkMS to manage their warehouse processes in the U.S., 7:00 p.m. to 2:00 a.m. is an incredibly busy period during which the bulk of shipments to major retail clients are processed in SAP. In addition to ensuring that orders get processed and invoiced, Fossil needs to produce Advanced Shipping Notices (ASNs) before 2:00 a.m. for each order shipped that day, informing customers when their orders will arrive. Fossil incurs a significant financial penalty each time it defaults on sending ASNs on time to many of its major customers.

"We get visibility into parent/child jobs with Automic Automation, and this is a big deal for us. SAP invoicing can be misrepresentative—child processes get spawned and while SAP may report invoicing has finished, invoice jobs are still running. We only want to start generating ASNs when invoicing really has completed. It allows us to run multiple jobs in parallel within SAP, broken down by customers. We can hold the end ASN jobs to ensure they go out at the same time or manually start the ASN job if things are running long and a given customer's invoices have already been generated. Prior to implementing Automic Automation, we incurred many penalty notices a year. Now we have greater visibility of underlying job streams and we rarely incur penalty charges," observes Hess.

Results

As well as automating order processing, Automic Automation is used to schedule over 2,000 jobs a day at Fossil. All process areas are represented: order management (including web), finance and accounting, procurement, warehouse functions (in Germany), production allocation, and demand forecasting are covered by the Automic solution. It is also being utilized to perform maintenance tasks, such as health checking AS/400 systems and the nightly transfer of orders to Fossil's Hong Kong facility. Future applications of automation at Fossil will include managing iDOC transfers between Fossil's non-SAP systems and SAP as well as master data interfacing.

In addition to their SAP AFS system to support their wholesale business, Fossil also utilizes Automic Automation to run jobs on separate SAP Retail and HR systems, thereby eliminating unnecessary slack on those systems, as well. Automation of demand planning workload generated by SAP APO and SAP BI enterprise reporting is also managed by Automic Automation. "The biggest hurdle we face is time. We don't have time to wait. Those three months leading up to year end are critical to our business. Automic Automation gives us single visibility into what is happening in our world. Being able to claim back the slack times, compress run times and experience many fewer job failures has given us the scalability and flexibility to support our business growth," said Hess.

For more information, please visit broadcom.com/products/software/ automation/automic-automation.